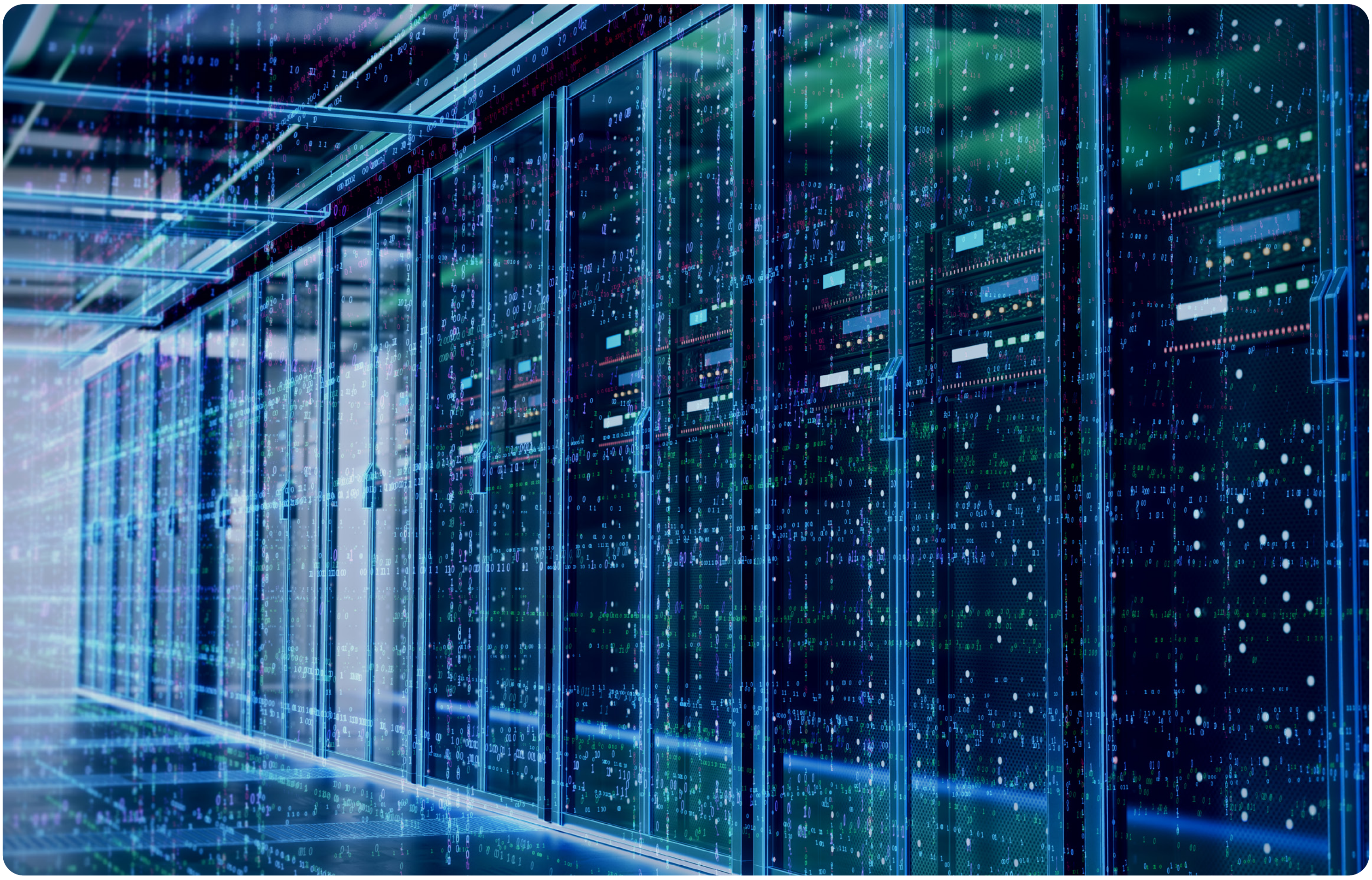


Annual Report 2024

SELECTED KEY FIGURES

	31. December 2024	31. December 2023	Variance
RESULT (in k€)			
Revenue	1.560.301	1.423.734	9,6 %
EBITDA	430.222	385.380	11,6 %
Adjusted EBITDA	452.197	390.296	15,9 %
EBIT	318.176	277.472	14,7 %
Adjusted EBT [(1)]	256.542	192.431	33,3 %
Adjusted EPS (in €) [(2)]	1,31	1,08	20,5 %
Balance Sheet (in T€)			
Current Assets	269.639	224.785	20,0 %
Non-current Assets	1.373.947	1.371.480	0,2 %
Equity	158.760	–2.781	
Equity ratio	9,7 %	–0,2 %	+9,9 %-P
Total Assets	1.643.586	1.596.265	3,0 %
CASHFLOW (in k€)			
Cash flow before changes in Balance Sheet items (Subtotal)	358.267	309.864	15,6 %
Cash flow from operating activities	386.803	314.496	23,0 %
Cash flow from investing activities	–100.313	–114.166	–12,1 %
Free Cash flow [(3)]	296.196	219.438	35,0 %
EMPLOYEES			
Employees (Headcount) as of 31. December	4.182	4.364	–4,2 %
thereof domestic	2.212	2.387	–7,3 %
thereof foreign	1.970	1.977	–0,4 %
SHARE (in €)			
Share price as of 31. December (Xetra)	21,85	17,46	25,1 %
Customer base (in Mio.)	6,32	6,16	0,16
thereof domestic	3,20	3,16	0,04
thereof foreign	3,12	3,00	0,13

(1) EBT excluding non-cash valuation effects from the contingent purchase price liability (EBT effect: €+12,730k; 2023: €-22,881k)

(2) EPS excluding non-cash valuation effects from the contingent purchase price liability (EPS effect: €+0.09; 2023: €-0.16).

(3) Free cash flow is defined as net cash inflows from operating activities, less investments in intangible assets and property, plant and equipment, plus cash inflows from the disposal of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities, which are reported under cash flow from financing activities.

LETTER TO THE SHAREHOLDERS

Dear shareholders, employees and business partners,

IONOS Group SE continued its successful growth trajectory in the 2024 financial year and further increased its revenue, EBITDA and customer base.

The customer base grew by around 160,000 to 6.32 million customers[1] in the 2024 financial year (2023: 6.16 million customers). Sales increased by 9.6% to €1,560.3m (2023: €1,423.7m). Adjusted EBITDA increased by 15.8% to €452.2m (2023: €390.3m). The adjusted EBITDA margin increased accordingly to 29.0% (2023: 27.4%).

IONOS introduced segment reporting with the end of the 2024 financial year. The "Digital Solutions & Cloud" segment includes revenue from the Web Presence & Productivity and Cloud Solutions business units as well as revenue from subsidiaries of the parent company United Internet. The "AdTech" segment includes revenue from digital advertising and domain trading.

Revenue in the Digital Solutions & Cloud segment rose by 11.6% to €1,248.1m in the 2024 financial year (2023: €1,118.8m) and adjusted EBITDA by 20.7% to €410.3m (2023: €340.0m). In the lower-margin AdTech segment, revenue increased only slightly by 2.4% to €312.2m (2023: €305.0m), while adjusted EBITDA fell by 16.9% to €41.9m (2023: €50.4m), mainly due to a product change in Domain Parking.

For the 2025 financial year, the company expects adjusted EBITDA to grow by around 12.8% to approximately €510m (2024: €452.2m).

Adjusted for currency effects, sales in the core business (Digital Solutions & Cloud segment) are expected to grow by approx. 8% (2024: €1,248.1m), with an adjusted EBITDA margin of approx. 35% (2024: 32.9%).

In the AdTech segment, sales in 2025 are expected to be above previous year's level (2024: €312.2m). This is due to the effects of a product changeover in Domain Parking that began in 2024 and will continue in 2025. In the medium term, the product changeover will have a positive impact on the segment's sustainable revenue and earnings performance.

Montabaur March 27, 2025

Achim Weiß

1 Number of customers in the previous year retroactively adjusted by -0.03 million customers after standardization of the policy at subsidiaries as part of the annual financial statements as at 31.12.2024.

REPORT OF THE SUPERVISORY BOARD

In the 2024 financial year, the Supervisory Board of IONOS Group SE carefully and conscientiously performed the duties incumbent upon it in accordance with the law, the Articles of Association, the German Corporate Governance Code and the rules of procedure, regularly advised the Management Board on the management of the company and carefully and continuously monitored its management activities. The Supervisory Board's advice and monitoring of the Management Board also covered sustainability issues in particular. The Supervisory Board was always able to satisfy itself of the legality, appropriateness and regularity of the Executive Board's work and was directly, promptly and comprehensively involved in all decisions of fundamental importance to the company. The Management Board regularly informed the Supervisory Board in detail, both verbally and in writing, and also regularly between meetings, about all relevant issues relating to strategy and the associated opportunities and risks, corporate planning, the development and course of business, planned and current investments, the Group's position, including the risk situation and the risk management system, the internal control system and the compliance management system, which is geared towards the company's risk situation. The Management Board agreed the company's strategic direction with the Supervisory Board. The Management Board submitted a comprehensive quarterly report to the Supervisory Board on the course of business, including sales development and profitability as well as the company's situation and business policy. This also included information on any deviations in the course of business from planning. In terms of both content and scope, the Management Board's reports met the requirements of the law, good corporate governance and the Supervisory Board. The reports were made available to all members of the Supervisory Board.

The Supervisory Board reviewed the plausibility of the reports and other information provided by the Management Board, dealt with them in detail and critically assessed and questioned them. The Supervisory Board gave its approval to individual business transactions where this was required by law, the articles of association or the rules of procedure for the Management Board.

The Supervisory Board and the Audit and Risk Committee formed by the Supervisory Board received regular reports from the Management Board on the Group-wide internal control and risk management systems, which also cover sustainability-related objectives, as well as the internal audit system and the compliance management system. Based on its reviews, the Supervisory Board has come to the conclusion that the internal control system, the risk management system, the internal audit system and the compliance management system are appropriate and effective.

The members of the Supervisory Board are responsible for attending the training and development measures required for their duties. The company provides the members of the Supervisory Board with appropriate support during their induction, training and development. In particular, an individual introduction to the activities of the Supervisory Board at IONOS Group SE is provided upon taking office. All necessary documents are made available, practical and legal principles are explained and specific issues of stock corporation law are highlighted. In addition to the individual training and development measures for Supervisory Board members, the company held a workshop lasting several hours with legal and technical experts from the United Internet Group on current developments in digital law for the members of the Supervisory Board in November 2024. The workshop provided an overview of the current legal framework for platforms, data and artificial intelligence as part of the EU digital strategy and discussed the key legal acts in this area. The main topics of artificial intelligence, IT security and data protection were dealt with in detail, with the specific impact on the companies in the United Internet Group, the effects on them and the implementation of the new legal regulations being discussed in detail in addition to the corresponding legal regulations.

In addition, one member of the Supervisory Board took part in training courses on the handling of material non-public information (MNPI), cybersecurity, anti-bribery and microaggression in the workplace.

Personnel changes within the Management Board and Supervisory Board

There were no changes to the composition of the Management Board in the 2024 financial year. The Management Board consists of Achim Weiß, Dr. Jens-Christian Reich and Ms. Britta Schmidt.

There was one change in the composition of the Supervisory Board in the 2024 financial year. Mr. Martin Mildner stepped down from the Supervisory Board at the end of 30 September 2024.

The Supervisory Board currently has five members. Its skills profile corresponds to its previous and current objectives; in particular, at least two independent members, Mr. Kurt Dobitsch and Mr. René Obermann, are represented on the Supervisory Board. The proportion of women on the Supervisory Board as of December 31, 2024, was 40%. Mr. Ralph Dommermuth was Chairman of the Supervisory Board in the 2024 reporting year and Mr. René Obermann was Deputy Chairman of the Supervisory Board.

According to the company's assessment, none of the Supervisory Board members performs board or advisory functions for major competitors of the company. There were no indications of conflicts of interest on the part of any Supervisory Board or Management Board member in the past financial year.

Meetings and key topics

In addition to regular statutory reporting, the following topics in particular were discussed and examined in detail in the 2024 financial year:

- The annual and consolidated financial statements as of December 31, 2023
- The determination of the Executive Board's target achievement for the 2023 financial year and the approval the payment of the variable remuneration components
- The report of the Supervisory Board for the 2023 financial year to the Annual General Meeting
- The Sustainability Report 2023
- The setting of ESG targets for the Executive Board
- The convocation and agenda items for the 2024 Annual General Meeting presented by the Management Board and the adoption of the Supervisory Board's proposed resolutions to the Annual General Meeting
- Audit planning and the quarterly reports of the internal audit department
- Monitoring the effectiveness of the compliance system in place
- The quarterly reports on risk management and the risk management strategy
- Monitoring the effectiveness of the established internal control system
- Examination and approval of the 2023 dependent company report
- The development of the company during the year
- The implementation of a share buyback program
- The audit of the independence of PricewaterhouseCoopers GmbH and the acting persons, also taking into account the additional services provided and the focal points of the audit
- The meeting dates and the financial calendar for the 2024 financial year
- Overview of investor relations activities
- Adoption of the planning for the 2025 financial year
- Key corporate governance topics
- Submission of the declaration of compliance with the German Corporate Governance Code dated December 17, 2024

Four ordinary Supervisory Board meetings were held in the 2024 financial year, at which the Management Board informed the Supervisory Board in detail about the economic situation, the development of the company and the Group as well as significant business transactions and other Management Board matters. The Supervisory Board has determined that some of the Supervisory Board meetings should regularly take place without the presence of the Management Board.

Three out of four meetings of the full Supervisory Board were held in person, and one was held as a video conference. The first and fourth Supervisory Board meetings were held in Montabaur, the second meeting following the Annual General Meeting in Frankfurt am Main. One member took part in the first meeting via video transmission. All other members were present in person.

In addition to the ordinary Supervisory Board meetings, a further extraordinary meeting of the Supervisory Board was held to discuss and decide on matters that could not wait until the next ordinary Supervisory Board meeting. The extraordinary meeting, which was attended by all members, was held as a video conference.

In some cases, resolutions of the Supervisory Board were also passed by written circulation procedure based on written draft decisions submitted by the Management Board.

Tasks of the Audit and Risk Committee

There was a change in the composition of the Audit and Risk Committee in the 2024 financial year. Mr. Martin Mildner stepped down from the Supervisory Board at the end of 30 September 2024 and is therefore no longer a member of the Audit and Risk Committee. Ms. Vanessa Stützle was elected as a new member of the Audit and Risk Committee with effect from 1 October 2024.

The Audit and Risk Committee supports the Supervisory Board in monitoring accounting, including sustainability reporting and the integrity of the accounting process, as well as monitoring the effectiveness and functionality of the internal control system, the risk management system, the compliance management system and the internal audit system. It also supports the Supervisory Board in monitoring the audit of the financial statements, the services provided by the auditor, the audit fees and the additional services provided by the auditor.

The Audit and Risk Committee deals intensively with the annual and consolidated financial statements, the management report for the company and the management report for the Group.

The committee is in charge of the tendering process for the audit of the financial statements, in particular compliance with the formal requirements, evaluation of the tender offers and participation in the presentation of the applicants, as well as the preparation of a proposal to the Supervisory Board.

The committee discusses the assessment of the audit risk, the audit strategy, the audit planning, the audit process, the focal points and methodology of the audit, the audit results and the audit reports, including with regard to the internal control system and the risk management system in relation to the accounting process, with the Management Board and the auditor and makes recommendations to the Supervisory Board. The Audit and Risk Committee regularly consults the auditor, even without the Management Board. It carries out an annual assessment of the quality of the audit. Prior to publication, it discusses the quarterly statements and the half-year financial report with the Management Board.

The Audit and Risk Committee also deals intensively with the Group-wide internal control system, risk management, the internal audit system and the compliance management system, and is tasked in particular with reviewing the appropriateness and effectiveness of the systems.

The Audit and Risk Committee also prepares the negotiations and resolutions of the Supervisory Board for the Supervisory Board's proposal to the Annual General Meeting on the election of the auditor and decisions on corporate governance issues and also decides on the approval of material transactions with related parties in accordance with Section 111b (1) AktG (related party transactions).

In 2024, the Audit and Risk Committee dealt in particular with the following topics:

- Reporting on risk management
- Reporting on the compliance management system
- Development of the project to improve the internal control system
- Internal audit reporting,
- Assessment of the quality of the audit,
- Discussion of key audit matters and determination of key audit matters,
- Publication reports and
- Self-assessment of the Audit and Risk Committee

The Chairman of the Audit and Risk Committee regularly reports to the full Supervisory Board on the committee's activities. He informs the Chairman of the Supervisory Board immediately of any significant events and findings of the Audit and Risk Committee.

The Audit and Risk Committee held four ordinary meetings in the 2024 financial year, each of which was attended by all members via video conference.

In addition to these ordinary meetings, numerous other workshops were held in which individual members of the committee went through the topics assigned to them together with company employees, for example to have the above-mentioned control systems explained to them and then to derive measures from them with the aim of continuously improving the control systems. There were no extraordinary meetings of the Audit and Risk Committee in the 2024 financial year.

Corporate Governance

In accordance with D. 12 of the DCGK, the company shall provide the members of the Supervisory Board with appropriate support during their induction to office as well as training and development measures.

To ensure successful onboarding, the new member of the Supervisory Board is provided with all the necessary documents in the form of an introductory, individually compiled information package. In addition, there is an introductory meeting on the most important processes and procedures, as well as individual discussions with the Chairman of the Supervisory Board and CFO in the form of coordination meetings.

Support with regard to training and development measures is guaranteed and ensured in particular through the regular and/or event-driven distribution of information material on current topics, as well as external training events.

In accordance with recommendation D.13 of the DCGK, the Supervisory Board as a whole, as well as the Audit and Risk Committee, regularly assesses how effectively it fulfills its duties as a body. For this purpose, a self-assessment is carried out using questionnaires every two years or so. The results of the survey are evaluated anonymously and then discussed at a plenary meeting. The need for improvement that emerges is addressed.

Furthermore, the evaluations are used as a basis for the positive further development of the work of the committees.

The Supervisory Board did not hold any discussions with investors in the reporting year.

The Management Board and Supervisory Board report on corporate governance in accordance with C.22 DCGK in connection with the declaration on corporate governance. The Executive Board and Supervisory Board last issued a joint declaration of compliance in accordance with Section 161 AktG on December 17, 2024, according to which the recommendations of the German Corporate Governance Code are largely complied with. The declarations, together with the explanations provided, are made permanently available to shareholders on the company's website. Please also refer to the comments in the Corporate Governance Statement 2024.

Review and audit of the annual and consolidated financial statements for 2024

The annual financial statements and consolidated financial statements as of December 31, 2024, prepared by the Management Board and submitted on time, the management report for the company and the Group (which includes the explanatory report on the disclosures pursuant to Section 289a (1) and Section 315 (2a) HGB), including the assessment of the correctness of the accounting and the early risk detection system, were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, which was elected as auditor by the Annual General Meeting on May 15, 2024, and each received an unqualified audit opinion.

The annual and consolidated financial statements, the management report for the company and the Group and the corresponding audit reports from the auditor were submitted to all members of the Supervisory Board. In addition to the key audit matters of fraud management and override of controls, share-based payment and leases in accordance with IFRS 16, the key audit matters (KAMs) were defined when the auditor was commissioned, which included the following points: revenue recognition, goodwill impairment test and recognition and measurement of financial assets (separate financial statements).

The financial statement documents were finally reviewed and discussed at a meeting of the Supervisory Board on March 25, 2025, in the presence of the auditor. The auditor reported on the key findings of its audit, explained these and answered the questions of the members of the Supervisory Board in detail. This discussion focused in particular on the results of the audit with regard to the defined key audit areas and the accounting processes. The internal control system, the risk report and the risk management system were discussed in detail with the auditor at the Supervisory Board meeting on March 25, 2025. With regard to the existing risk early warning system, the auditor found that the Management Board had taken the measures required by Section 91 para. 2 AktG, in particular, to set up a monitoring system in an appropriate manner and that the monitoring system is suitable for the early detection of developments that could jeopardize the company's continued existence. Following its own examination, the Supervisory Board concurred with the results of the audit by the auditor and, based on the final results of its own examination, raised no objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements for 2024 by resolution at its meeting on March 25, 2025. The annual financial statements have therefore been adopted in accordance with Section 172 AktG. At its meeting on March 25, 2025, the Supervisory Board also approved the remuneration report adopted by the Management Board.

Review of the Management Board's report on relationships with affiliated companies

The Management Board submitted its report on relationships with affiliated companies (dependent company report) for the 2024 financial year to the Supervisory Board in good time.

The report of the Executive Board on relationships with affiliated companies was the subject of the audit by the auditor. The following audit opinion was issued in this regard:

“Following our audit and assessment in accordance with professional standards, we confirm that

1. the factual disclosures in the report are correct
2. the consideration paid by the company for the legal transactions listed in the report was not inappropriately high,
3. there are no circumstances indicating a materially different assessment of the measures listed in the report than that of the Executive Board.“

The auditor submitted the audit report to the Supervisory Board. The Supervisory Board examined the dependent company report of the Management Board and the audit report. The final review by the Supervisory Board took place at the Supervisory Board meeting on March 25, 2025. The auditor attended the meeting and reported on its audit of the dependent company report and its key audit findings, explained its audit report and answered questions from the Supervisory Board members. Following the final result of its examination, the Supervisory Board approved the dependent company report of the Management Board and the audit report and had no objections to raise against the declaration of the Management Board at the end of the report on relationships with affiliated companies.

The Supervisory Board would like to thank the members of the Management Board and all employees for their continued successful commitment to IONOS Group SE in the past financial year. We would also like to thank our customers and shareholders for the trust they have placed in the company.

Montabaur, 25 March 2025

On behalf of the Supervisory Board

Ralph Dommermuth

Members of the Supervisory Board as of 31 December 2024 (all since 26 January 2023)

- Ralph Dommermuth (Chairman of the Supervisory Board), Montabaur
  Chief Executive Officer of United Internet AG
- René Obermann (Deputy Chairman of the Supervisory Board), Berlin
  Chairman of the Supervisory Board of Airbus SE,
- Chairman of Warburg Pincus Europe
- Dr. Claudia Borgas-Herold, Kilchberg/Switzerland
  Managing Director of borgas advisory GmbH
- Vanessa Stützle, Düsseldorf
  Chief Executive Officer of Luqom GmbH
- Kurt Dobitsch, Markt Schwaben
  Chairman of the Supervisory Board of 1&1 AG
- Martin Mildner, Hamburg
  Chief Financial Officer of ProSiebenSat.1 Media SE (until 30 September 2024)

COMBINED MANAGEMENT REPORT

Note:

Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures (units of currency, percentages, etc.).

For reasons of better readability, the masculine form is used in the Combined Management Report for gender-specific designations. IONOS Group SE would like to point out that the use of the masculine form is explicitly to be understood as gender-independent.

To improve readability and to distinguish between company and Group information, "IONOS" is used below as a synonym for Group information. The company name "IONOS Group SE" is used for company information.

Reference to unaudited sections of the management report on the company and the group as of December 3, 2024.

In the combined management report, a distinction is made between auditable and non-auditable management report disclosures. “Non-auditable disclosures” are those that cannot be assessed by the auditor due to the nature of the disclosures or the lack of suitable criteria.

IONOS Group SE has identified the following sections and disclosures as "unaudited management report disclosures" in the Group management report:

- The disclosures contained in subsection "1.4 Focus on products and innovations" are "unaudited management report disclosures".
- The tables containing key financial figures on a quarterly basis in the subchapters “2.2 Business performance” are “unaudited management report information” because IONOS Group does not subject its interim financial statements to an audit or review. The quarterly figures are marked as “unaudited”.
- The German Corporate Governance Code (GCGC) provides for disclosures on the internal control and risk management system. These go beyond the statutory requirements for the management report and are excluded from the audit of the management report by the auditor ("non-management report disclosures"). They are assigned thematically to the key elements of the internal control and risk management system in section 4 "Internal control and risk management system" and are distinguished from the information to be audited by separate paragraphs and marked accordingly as “unaudited”.
- Section 6 "Corporate governance statement" is an "unaudited management report disclosures", as the audit of the disclosures in the corporate governance statement by the auditor in accordance with Section 317 (2) sentence 6 HGB is limited to the fact that the disclosures have been made and the corporate governance report also contained in section 6 is a "non-management report disclosure" in accordance with Section 3.10 of the German Corporate Governance Code, the content of which is not audited.

1. Group Profile

1.1 Business model

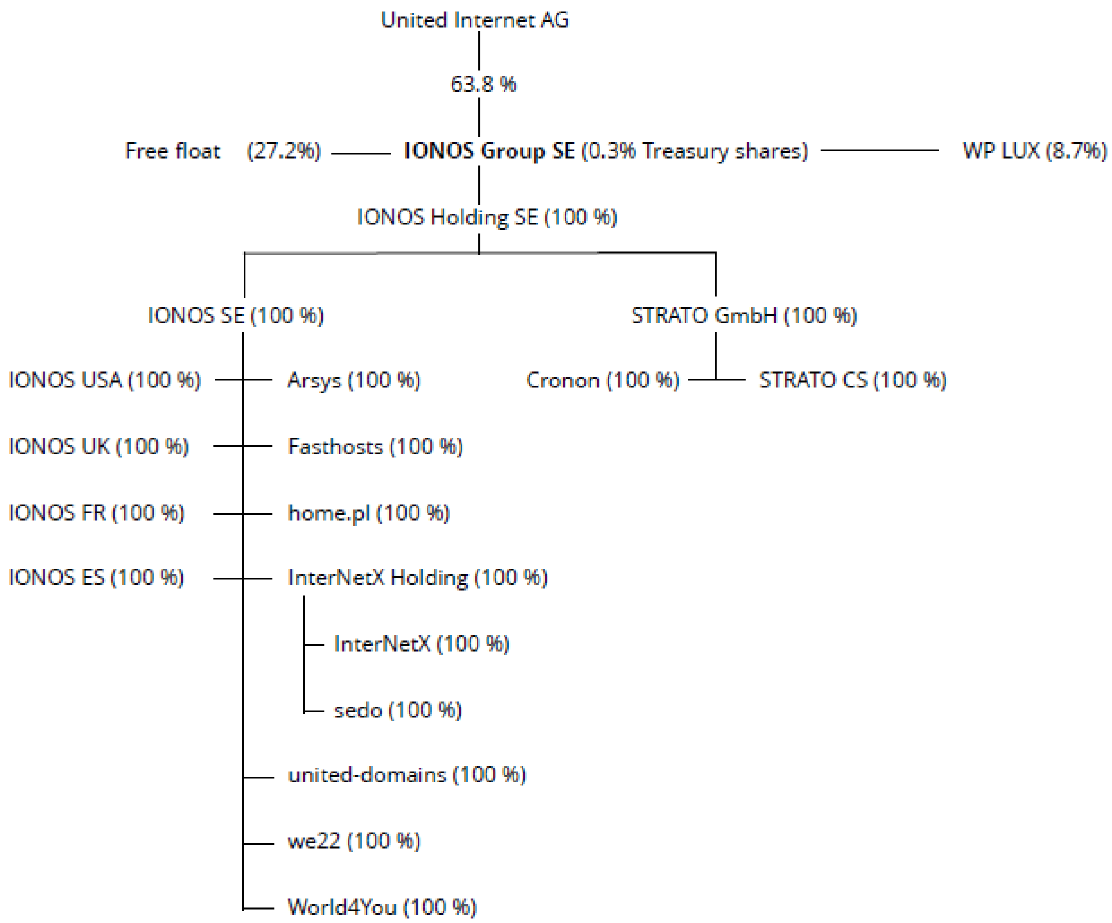
Group structure

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of December 31, 2024, United Internet AG held 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg held 8.7% of the shares in IONOS Group SE. 27.2% of the shares were in free float. In addition, the IONOS Group held 0.3% of its treasury shares.

IONOS Group SE is a pure holding company. The operating business is conducted by the companies IONOS SE, Montabaur, and STRATO GmbH, Berlin, and their subsidiaries, which are held by the intermediate holding company IONOS Holding SE.

These subsidiaries include, in particular, the subsidiaries of STRATO GmbH, Cronon GmbH, Berlin, and STRATO Customer Service GmbH, Berlin, as well as the foreign subsidiaries of IONOS SE such as IONOS Inc., Philadelphia, Pennsylvania/USA, IONOS Cloud Ltd., Gloucester/Great Britain, IONOS S.à r.l., Saargemünd/France, IONOS Cloud S.L. U., Madrid/Spain, Arsys Internet S.L.U., Logroño/Spain, Fasthosts Internet Ltd., Gloucester/United Kingdom, home. pl S.A., Szczecin, Poland, and World4You Internet Services GmbH, Linz, Austria, as well as the domestic subsidiaries of IONOS SE, such as InterNetX GmbH, Regensburg, Sedo GmbH, Cologne, united-domains GmbH, Starnberg, and we22 GmbH, Cologne.

A simplified representation (as of December 31, 2024) of the group structure, including significant operating subsidiaries of the group, is as follows:



Business operations

IONOS is an international digitalization partner and reliable cloud enabler for small and medium-sized enterprises (SMEs), as well as for individual users (e.g., freelancers) and larger corporate customers. It offers a comprehensive product portfolio in the areas of web presence and productivity, as well as cloud solutions. This portfolio is supported by first-class customer care and infrastructure. In addition, IONOS offers an online marketplace for buying, selling and parking domains.

The products and solutions are developed in the company's own development centers or in cooperation with partner companies and are operated on over 100,000 servers in 31 data centers, 9 of which are the company's own.

Deviating business developments from the planned business performance in the reporting year meant that internal reporting to the chief operating decision maker was adjusted. Since November of the 2024 fiscal year, the operating business of IONOS has been divided into the "**Digital Solutions & Cloud**" and "**AdTech**" segments in order to be able to react to business developments in the different areas and to ensure separate management. In line with internal management reporting, there are two reportable segments. To ensure a standardized presentation, the prior-year figures for the reportable key figures were allocated to the respective segments.

"Digital Solutions & Cloud" segment

The "Digital Solutions & Cloud" segment combines the business units Web Presence & Productivity and Cloud Solutions. The Web Presence & Productivity unit forms the core business around traditional web hosting. With this unit, IONOS offers its customers customized products that enable them to easily set up an internet presence. By contrast, the Cloud Solutions unit focuses on customizable server products to meet the growing demand.

In the area of web presence and productivity, IONOS offers professional solutions for online presence, such as domain registration, web hosting, website builders with artificial intelligence support, and dedicated servers. This is supported by additional productivity products (e.g., e-commerce, e-mail and marketing applications) and additional services such as search engine optimization, business applications or storage and security solutions.

In addition to the main international brand IONOS, the target group-specific marketing of the product portfolio is carried out by differently positioned brands such as STRATO, arsys, fasthosts, home.pl and World4You. In addition, there are brands with extensive domain expertise, such as United Domains and InterNetX, which offer professional services related to active domain management.

With its focus on small and medium-sized enterprises ("SMEs") in the area of web presence and productivity, IONOS operates in a market that is highly fragmented on the customer side. On the product side, these customers typically depend on the products offered by IONOS, as these are essential for sales and sales support. In addition, in most cases, the products account for only a small portion of an SME's costs and are usually paid for monthly by the customers. For example, it is rather unlikely that a small or medium-sized company would stop operating its website for cost reasons or regularly compare prices with lesser-known but comparable providers in order to change providers. Instead, such companies often prioritize the reliability and stability of their existing website over potential cost savings.

The cloud solutions offering includes both public and private cloud solutions with a wide range of services in the area of Infrastructure-as-a-Service ("IaaS"), Platform-as-a-Service ("PaaS") and Software-as-a-Service ("SaaS").

IONOS focuses on providing scalable and high-performance cloud services for small and medium-sized companies, as well as large customers looking for flexible and cost-efficient solutions for their web presence and work productivity. IONOS' customized virtual private servers, cloud servers, and PaaS, IaaS, and

SaaS offerings are crucial to the smooth operation and rapid growth of these companies, with modern hardware and reliable support providing a solid foundation for their digital business success. In view of the strategic relevance of IONOS cloud solutions, it is unlikely that customers will switch providers, as the reliability of these services is important for their day-to-day business and switching often involves disproportionate migration efforts.

"AdTech" segment

The AdTech segment (formerly referred to as the "Aftermarket" unit) represents the secondary market for the use and trading of domains. The product portfolio is marketed primarily under the Sedo brand.

The AdTech business essentially allows domain owners to generate revenue from domains they are not currently using, by "parking" these domains and generating revenue from advertising links.

IONOS acts as a domain parking provider and places targeted advertising on the domains in an automated manner, operates the technical platform and optimizes traffic. IONOS receives compensation from the advertising networks when visitors click on the placed advertising links. IONOS acts as an integrator with the technical platform, because IONOS can directly influence the revenues by optimizing traffic and monetization, as well as the possibility of pricing with the owners of the parked domains. In this way, the domain owners benefit from the click-through rate of the advertising and are remunerated by IONOS.

In addition, revenues are increasingly being generated by the "RSOC" (Related Search On Content) product provided by Google, in which IONOS operates a platform for monetizing traffic via advertising links. As an alternative to domain parking, the sale or rental of domains can also be pursued, with IONOS acting as a broker. IONOS offers suitable solutions through the Sedo brand via the company's own marketplace, where domains can be offered at attractive prices or sold in an auction format. With over 22 million listed and already registered domains, Sedo operates one of the largest trading platforms for internet addresses. In addition to the traditional brokerage business, additional services are offered, such as the brokerage service, the creation of domain valuations and the transfer service. The brokerage business is remunerated mainly on a commission basis, while other ancillary services are remunerated through fees. Domain trading is particularly interesting for companies with strong brands, which often require domains to protect their brand and strengthen their online presence.

Management

The Management Board of IONOS Group SE consisted of the following members as of December 31, 2024:

- Achim Weiß (Chief Executive Officer; Chairman of the Management Board))
- Dr. Jens-Christian Reich (Chief Commercial Officer; Deputy Chairman of the Management Board)
- Britta Schmidt (Chief Financial Officer)

The Supervisory Board of the Company comprised six members as of December 31, 2024:

- Ralph Dommermuth, Chairman of the Supervisory Board
- René Obermann, Deputy Chairman
- Dr. Claudia Borgas-Herold
- Kurt Dobitsch
- Martin Mildner (until September 2024)
- Vanessa Stuetzle

Main markets

Main markets

Next to the home market Germany,

- North America (incl. Canada and Mexico),
- The UK,
- Spain,
- France,
- and Poland

are the most important markets of IONOS.

Main locations

As of December 31, 2024, IONOS had a total of 4,037 active employees, not including temporary staff and trainees (December 31, 2023: 4,201 active employees, not including temporary staff and trainees).

The Group's most important locations are:

- Berlin, Germany
- Bucharest, Romania
- Cebu City, Philippines
- Philadelphia, Pennsylvania, USA
- Gloucester, UK
- Karlsruhe, Germany
- Cologne, Germany
- Linz, Austria
- Logroño, Spain
- Madrid, Spain
- Montabaur, Germany
- Regensburg, Germany
- Starnberg, Germany
- Szczecin, Poland
- Zweibruecken, Germany

1.2 Objectives and strategies

The Group's business model is based predominantly on customer contracts (electronic subscriptions) with fixed monthly amounts, contractually fixed terms and disproportionate customer loyalty. This type of business model ensures stable, plannable revenues and cash flows, as it is hardly affected by economic fluctuations. At the same time, it creates financial leeway to take advantage of opportunities in new business areas and new markets – both organically and opportunistically through selective acquisitions and investments.

A large number of customer relationships also helps the group to exploit economies of scale: the more customers demand the products that are created by the development teams and operated on the group's own server infrastructure, the higher the margin. Higher revenues can in turn be invested in customer acquisition, the expansion of the product portfolio and new business areas, which in turn strengthens and further expands the group's own market position.

IONOS operates in the large, robust and fast-growing market for digital platforms and cloud solutions for SMEs. Growth is driven by structural megatrends such as digitalization, including significant catch-up potential in terms of internet presence, an ongoing shift from on-premise to cloud environments, and the advancement of customer solutions based on artificial intelligence. The catch-up potential is particularly high among smaller SMEs.

According to a McKinsey study entitled "The SMB Market for Digitization and Cloud Solutions" from September 2022, this customer group is the "growth engine of most economies". According to the study, the company with digitization products offers "an enormous opportunity" to sell these SMEs appropriate digitization and cloud solutions. This is also confirmed by the statistical evaluations of Statista Market Insights. They estimate that this market will grow by an average of around 16.55% per year until 2029. According to forecasts, an annual growth rate (CAGR) of 17.92% can even be expected in the cloud solutions environment.

It should be noted that, according to the McKinsey study mentioned above, most SMEs appear to be pursuing a clear digitalization strategy. This begins with the entry point of domain and web hosting and then, over time, leads to demand for additional services as the business grows, such as the use of multiple domains, the continuous expansion of the website, additional e-commerce solutions, and office and e-mail offerings. Eventually, other cloud-oriented services such as storage, backup, and security services are added.

In its spending guide from July 2020, the research firm IDC also predicts that corporate spending on cloud solutions will double from $805 billion in 2024 to 2028. Statista Market Insights even predicts a market volume of €1,645 billion in 2029.

In view of the dynamic market development in the areas of cloud solutions and internet presence, the Group's growth opportunities are obvious: rising IT spending by SMEs, growth in e-commerce, ubiquitous, increasingly powerful broadband connections that enable new, complex cloud applications, and the use of artificial intelligence. These internet-based applications for end customers and companies will be the growth drivers for the group in the coming years.

The Group is very well positioned to do so, thanks to its many years of experience as an application provider, its expertise in software development and data center operation, marketing, sales and customer care, its strong brand recognition and its existing customer relationships with millions of private users, freelancers and small and medium-sized enterprises.

To use this positioning for further sustainable growth, the group companies will continue to invest heavily in new customers, new products and business areas, and further internationalization.

Further information on strategy, opportunities and targets can be found in the risk, opportunity and forecast report under Chapter 3.

1.3 Control systems

The Group's internal management systems support management in monitoring and managing the Group companies and therefore also IONOS. The systems consist of planning, actual and forecast calculations and are based on the Group's annually revised strategic planning. In doing so, particular consideration is given to market developments, technological developments and trends, their influence on the Group's own products and services, and the Group's financial capabilities. The aim of corporate management is to develop the Group continuously and sustainably.

The Group's reporting system comprises monthly income statements and quarterly IFRS reports for all consolidated subsidiaries and presents the net assets, financial position and results of operations of the

Group. Financial reporting is supplemented by additional detailed information that is necessary for the assessment and management of the operating business.

Quarterly reports on the Group's main risks are another component of the management systems.

These reports are discussed at Management Board and Supervisory Board meetings and form the basis for key assessments and decisions.

The key financial performance indicators for the management of the company at the IONOS level are (currency-adjusted) revenue, adjusted EBITDA and the adjusted EBITDA margin in accordance with IFRS. In addition, the group is managed using non-financial key performance indicators.

In particular, the analysis of the development of the number of customers and the services/products used by customers, the customers and services acquired, and the associated customer acquisition costs (CAC), compared to the group's planning and forecasting, serves as an early warning system.

IONOS Group SE essentially acts as a holding company within the group. In principle, IONOS Group SE passes on the costs incurred in connection with group management to the operating companies within the group. Accordingly, IONOS Group SE is essentially influenced by the investment result (profit and loss transfers and distributions) and focuses on its investment result and net profit or loss for the year.

A comparison of the actual values of the key performance indicators mentioned in the forecast and the actual values of these key performance indicators can be found in this Group Management Report under point 2.2 “Business performance” in the section “Actual and forecast business performance”.

1.4 Main focus areas for products and innovations[2]

IONOS does not conduct traditional research and development (R&D) comparable to that of a manufacturing company. In the industry context, research and development expenses also play a rather minor role. In view of this, IONOS does not report any R&D figures.

Nevertheless, IONOS stands for innovative, web-based products and applications. The ability to further develop, combine, and adapt innovative products and services and to launch them in large markets forms the basis for the group's success.

With its own IT specialists, IONOS can respond quickly and flexibly to new ideas and trends, further develop established products and adapt them to changing needs – an important success factor in the extremely dynamic internet market. Thanks to its expertise in product development, further development and rollout, the Group is largely independent of third-party developments and supplies in many areas and can thus leverage important competitive and speed advantages.

The developers work primarily with open-source code and within the framework of clearly defined and modeled development environments. In addition, third-party programming services are used to implement certain projects quickly and efficiently. This means that the basic product applications can be further developed and quickly adapted to new customer requirements in a very short time. In addition, IONOS also purchases solutions from partners that are then modified and integrated into its own systems. The integrated applications provide IONOS with a kind of modular system whose modules can be combined into a wide range of powerful and integrated applications and provided with a product- and country-specific user interface.

In addition to constantly optimizing and ensuring the reliable operation of all services, IONOS programmers, product managers and technical administrators worked on numerous projects in the areas of Web Presence & Productivity and Cloud Solutions in the past fiscal year. The main focus here was on innovations in the field of artificial intelligence. The company already has a large number of AI-based applications in its product portfolio. These include an AI-based website construction kit, a newsletter tool with AI functions, and the AI Model Hub in the cloud area.

Focus areas in 2024

- Introduction of an AI-based assistant within the e-mail product. The introduction has already taken place in the first European countries.
- Introduction of AI-supported domain search at Arsys and Fasthosts.
- Introduction of an AI-powered chatbot for customer service at IONOS in Germany and the UK.
- Introduction of a multimodal AI inference platform (AI Model Hub).
- Introduction of a domain expiry pool for better monetization of domains that are no longer needed. These domains are offered to our customers through automated processes and can be made available for sale through Sedo.
- Introduction of shared web hosting products for WordPress based on a scalable and high-performance new hosting platform.
- Introduction of a legal protection service at several IONOS subsidiaries, for the legally compliant creation of websites in accordance with the legal framework.
- Introduction of Inbox advertising options for IONOS customers in the GMX and Web.de email inboxes. Together with the IONOS sister companies within the United Internet Group (Inbox Ads).
- Rollout of the Bare Metal Cloud product in the Niederlauterbach data center to serve the French market.
- Rollout of the “Build-to-Order” service for dedicated servers in North America (USA, Canada). This enables customers to independently configure their server architecture with the appropriate hardware.
- Introduction of a private DNS solution.
- Introduction of an S/3-compatible object store with high scalability and redundancy based on Ceph.
- Introduction of Managed MariaDB and Managed Redis, with administration, maintenance, and scaling of these databases by IONOS.
- Introduction of Logging-as-a-Service (LaaS): A cloud-based platform for managing infrastructure and application logs.
- Introduction of regional control plans for managed Kubernetes to further improve the availability and reliability of customer clusters and to enable greater flexibility in the regional allocation of the control level.
- Expansion of the Managed Kubernetes (MK8S) platform in the US business to offer customers a broader range of managed Kubernetes services and Kubernetes clusters and to increase their scalability and flexibility.
- Development of an “airgapped” cloud solution in an isolated environment for ITZBund.
- Introduction of a bidirectional VPN for secure management of resources in the private cloud.

[2] The disclosures contained in this section are unaudited management report disclosures.

2. Economic report

2.1 General economic and sector conditions

General economic development

According to preliminary calculations, the International Monetary Fund (IMF) has reported a 3.2% increase for the global economy in 2024 in its latest World Economic Outlook (January 2025 Update). This means that growth was roughly on a par with the previous year (3.3%).

In the IONOS's North American target countries, the IMF expects visible growth in 2024, though weaker than in the previous year. For the United States, the IMF expects an increase of 2.8% (previous year: 2.9%), for Canada, an increase of 1.3% (previous year: 1.5%) and for Mexico, an increase of 1.8% (previous year: 3.3%).

A look at IONOS's most important target countries in Europe shows the following picture: for France, the IMF expects growth of 1.1% in 2024 (previous year: 1.1%), for Spain 3.1% (previous year: 2.7%), and for Poland 2.8% (previous year: 0.1%). By contrast, slightly weaker growth of 0.6% (previous year: 0.7%) and 0.9% (previous year: 0.3%) is forecast for Italy and the UK, respectively.

By contrast, economic development in Germany, which IONOS considers to be by far the most important market (share of revenue in 2024: around 56%), is the only target country for IONOS to again show a decline in economic output in 2024 of -0.2% (previous year: -0.3%).

Multi-period overview: GDP development in key target countries and regions of IONOS

	2020	2021	2022	2023	2024	YoY Change
World	–3.1%	6.2%	3.5%	3.3%	3.2%	–0.1 percentage points
USA	–3.4%	5.9%	1.9%	2.9%	2.8%	–0.1 percentage points
Canada	–5.2%	5.0%	3.8%	1.5%	1.3%	–0.2 percentage points
Mexico	–8.2%	4.7%	3.9%	3.3%	1.8%	–1.5 percentage points
France	–8.0%	6.8%	2.5%	1.1%	1.1%	+/-0.0 percentage points
Spain	–10.8%	5.5%	5.8%	2.7%	3.1%	+0.4 percentage points
Italy	–8.9%	6.7%	3.7%	0.7%	0.6%	–0.1 percentage points
Poland	–2.0%	6.9%	5.3%	0.1%	2.8%	+2.7 percentage points
UK	–9.4%	7.6%	4.3%	0.3%	0.9%	+0.6 percentage points
Germany	–4.6%	2.6%	1.8%	–0.3%	–0.2%	+0.1 percentage points

Source: International Monetary Fund, World Economic Outlook (update), January 2025

The IMF's calculations for Germany are in line with the preliminary calculations of the Federal Statistical Office (Destatis), which – as part of the press conference “Gross Domestic Product 2025” on January 15, 2025 – also again found a decline in (price-adjusted) gross domestic product (GDP) of -0.2% (previous year: -0.3%).

According to the Federal Statistical Office, this was due to economic and structural pressures. These include increasing competition for the German export industry in important sales markets, high energy costs, a still elevated interest rate level, but also an uncertain economic outlook.

Multi-period overview: Development of price-adjusted GDP in Germany

	2020	2021	2022	2023	2024	YoY Change
GDP	–4.1%	3.7%	1.4%	–0.3%	–0.2%	+0.1 percentage points

Source: Destatis, January 2025

Development of the sector / core markets

IONOS is one of Europe's leading service providers in the Web Presence & Productivity sector[1] in terms of the number of hosted domains with its products and services in significant growth markets. IONOS benefits from the trends towards digitalization and cloud solutions, as well as from the fact that IONOS focuses on products and services for small and medium-sized enterprises (SMEs), particularly in the Web Presence & Productivity segment. McKinsey describes this customer group as “the growth engine of most economies” and emphasizes that SMEs and entrepreneurs are drivers of resilience and growth, although their contributions vary greatly depending on the company, sector and location.

According to the Flexera 2024 State of the Cloud study, cloud solutions continue to be a central component of digital transformation. The study shows that the use of cloud services is increasing while wasteful spending is decreasing. Organizations are increasingly adopting multi-cloud strategies and optimizing their cloud costs, which increases efficiency and improves cost control. These developments underscore the importance of cloud solutions as an engine of digital transformation and the need for strategic cloud management in organizations.

Many companies have also started to move their business processes to the cloud. The coronavirus pandemic has given a further boost to e-commerce, increasing the need for a web presence for many companies and business owners. For example, numerous restaurants have introduced technologies for online ordering or delivery services.

McKinsey expects the market for digitalization solutions specifically for SMEs in Europe and North America to grow cumulatively by 8% p.a. (CAGR 2021-2026) by 2026. This includes the more “traditional” digitalization solutions such as domains and web hosting, website creation, e-commerce and hosting offers. Broken down into the individual products, McKinsey sees the growth effects primarily in the areas of website building and e-commerce. Here, McKinsey forecasts double-digit growth rates of 13-14% p.a. (CAGR 2021-2026) in each case, particularly due to increased customer demand for digital purchasing options and other interactions (McKinsey, “The SMB Market for Digitization and Cloud Solutions”).

In the last few years, cloud technology has evolved from a useful and competitive business tool to one of the most important foundations of companies.

As described, the cloud market is largely unimpressed by an uncertain economic situation. Although the optimization of existing cloud spending is moving up the agenda of IT managers, On the other hand, the increasing use of SaaS, public cloud & co. is not changing, since medium-sized companies are migrating data, applications and infrastructure to the cloud as a central component of their digital transformation strategies, with 60% of all data and 61% of all workloads being accessed via cloud offerings: The goal of the companies is to create more agile and adaptable IT operations (Flexera, “2024 State of the Cloud Report”).

In particular, the IaaS segment is currently growing strongly as companies accelerate their IT modernization initiatives to minimize risk and optimize costs. Moving operations to the cloud reduces the need for

[1] Hostsens

upfront capital expenditure by spreading the investment over the term of a cloud subscription – a crucial advantage in an environment where liquidity can be critical to maintaining operations.

Market figures: cloud computing worldwide

in billion USD	2023	2024	Change
Revenue from public cloud services worldwide	499.71	595.65	+ 19.2%
thereof Application Infrastructure Services (PaaS)	144.05	171.57	+ 19.1%
thereof Application Services (SaaS)	212.37	250.80	+ 18.1%
thereof Desktop as a Service (DaaS)	3.22	3.47	+ 7.7%
thereof System Infrastructure Services (IaaS)	140.00	169.82	+ 21.3%

Source: Gartner, Worldwide Public Cloud End-user spending, 2024-2025, November 2024

Legal conditions/significant events

The legal and regulatory environment for IONOS' business activities remained largely unchanged in fiscal year 2024 compared to fiscal year 2023 and therefore had no significant impact on business development.

Significant events in the 2024 fiscal year were:

In April 2024, the German Federal Information Technology Centre (ITZBund) commissioned IONOS to set up a private enterprise cloud that will be operated in the ITZBund data centers. ITZBund is the IT service provider for 200 federal agencies and is designed to support public administration with modern IT and lead it into the digital future.

The framework agreement has a term of five years. The variable order will be billed on a pay-per-use basis, as is common in the cloud sector.

On May 8, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board and on the basis of the authorization of the Extraordinary General Meeting of January 26, 2023, to acquire treasury shares, initially decided to acquire up to 850,000 treasury shares via the stock exchange. This corresponds to approximately 0.6% of the issued capital of €140,000k. The buyback program should be carried out from mid-May 2024 and no later than February 28, 2025.

As part of the share buyback program announced on May 8, 2024, IONOS Group SE acquired a total of 850,000 treasury shares in the period from May 17 to July 25, 2024, thereby completing the share buyback program. The purchase price excluding transaction costs amounted to €22,319k.

A total of 386,435 treasury shares were issued under the employee stock ownership program up to December 31, 2024.

2.2 Business development

Use and definition of relevant financial performance measures

For a clear and transparent presentation of the business development of IONOS, further financial indicators such as EBITDA, EBITDA margin, EBIT, EBIT margin or free cash flow are disclosed in the Group's annual and interim financial statements in addition to the information required by International Financial Reporting Standards (IFRS).

These key figures are defined as follows for IONOS:

- **EBIT**: Earnings before interest and taxes represents the operating result disclosed in the statement of comprehensive income.

- **EBIT-Marge**: Presents the ratio of EBIT to revenue.

- **EBITDA**: Earnings before interest, taxes, depreciation, and amortization are calculated as EBIT/operating result plus the depreciation and amortization (disclosed in the Consolidated Financial Statements) of intangible assets and property, plant, and equipment, as well as assets capitalized in the course of company acquisitions

- **EBITDA-Marge**: Presents the ratio of EBITDA to revenue.

- **Cash flow before changes in balance sheet items (subtotal):** Cash flow before changes in balance sheet items is derived from net income, adjusted for non-cash items. These include, for example, depreciation and amortization, the share of profit or loss of associates accounted for using the equity method, deferred taxes, and interest and financing expenses. This subtotal represents the cash inflow from operating activities before changes in working capital and other balance sheet items are taken into account.

- **Free Cashflow**: Calculated as cash flow from operating activities (disclosed in the consolidated financial statement), less capital expenditure for intangible assets and property, plant, and equipment, plus payments from the disposal of intangible assets and property, plant, and equipment, and including the repayment of lease liabilities, which have been recognized in net cash payments in the financing area since the 2019 fiscal year.

Where necessary for a clear and transparent presentation, the aforementioned key figures are adjusted for special factors / special effects and reported as "adjusted key figures" (e.g., adjusted EBITDA, adjusted EBIT or adjusted EPS). A derivation of EBITDA from the figures adjusted for special items can be found in chapter 2.3 "Position of the Group".

As a rule, special effects only relate to those effects which, due to their nature, frequency and / or scope, are likely to impair the informative value of the key financial figures for the Group's financial and earnings performance. All special effects are shown and explained in the respective section of the financial statements for the purpose of reconciliation from the non-adjusted financial key figures to the operating key figures.

Non-recurring expenses (such as one-offs from integration projects) or other effects (e.g., from regulatory issues or growth initiatives) for the 2022 and 2023 fiscal years are not adjusted, but — if available — are shown in the respective chapter.

Currency-adjusted sales and earnings figures are calculated by translating sales and earnings at the average exchange rates of the comparative period instead of the current period.

The most important key financial figures relevant to the management of the Group are (currency-adjusted) sales, adjusted EBITDA and the adjusted EBITDA margin in accordance with IFRS.

Actual and forecast business performance

For the 2024 fiscal year, the Management Board of IONOS Group SE expected revenue growth of approximately 11% at constant currency. With revenue growth, adjusted EBITDA was also expected to increase from 27.4% to approximately 28.5% in fiscal year 2024. The revenue forecast was updated in July 2024 and adjusted to reflect developments in the AdTech business (formerly Aftermarket), with constant currency revenue growth of approximately 9% expected based on new information, while the adjusted EBITDA margin was expected to be approximately 29%.

The Group's key figures show an increase in revenues from contracts with customers of +9.9% (fiscal year 2024: €1,514,605k; fiscal year 2023: €1,378,203k) and of revenue (total) by +9.6% (financial year 2024: €1,560,301k; financial year 2023: €1,423,734k). Adjusted for currency effects, the increase in revenues amounts to +9.2% (fiscal year 2024: €1,554,277k; fiscal year 2023: €1,433,342k). The group's adjusted EBITDA increased significantly by +15.9% from €390,296k in the previous year to €452,197k in 2024. The EBITDA margin rose from 27.4% in 2023 to 29.0% in fiscal year 2024.

As a result, the updated guidance for 2024 fiscal year revenue at constant currency was slightly exceeded. The main driver for exceeding the forecast revenue was the more dynamic than expected growth of the AdTech business (formerly Aftermarket) in the second half of 2024, but also the very positive business development in the core business with Web Presence & Productivity products, partly also due to the price adjustments for some products implemented in the course of the second half of 2023. This is partially offset by a somewhat lower than expected increase in sales in the Cloud Solutions product area. However, the overall weaker macroeconomic environment and its impact on business with major customers was partially offset by the first revenues from the major project with the Federal Information Technology Centre (ITZBund).

The original forecast for the adjusted EBITDA margin was also exceeded and is exactly in line with the expected target from the July 2024 forecast. The achievement of the forecast adjusted EBITDA margin benefited from the following key drivers. The price adjustments from the previous year, in combination with the continuously growing customer base, had a positive impact on sales, which was only moderately offset by increased expenses due to the general scalability of the business model. Among other things, efficiencies were achieved in the purchase of domains, while marketing expenses were at a comparable level to the previous year. This, in conjunction with a disproportionately low increase in personnel expenses, was able to offset the negative effects of one-time expenses for the preparation of the major project with the ITZBund and therefore had a positive effect on the adjusted EBITDA margin.

Forecast	**Actual fiscal year 2023**	**Forecast March 2024**	**Forecast July 2024**	**Actual fiscal year 2024**
Revenue	€1.424 billion			9.6% €1.560 billion
Revenue (Currency-adjusted)	€1.433 billion	approx 11%	approx 9%	9.2% €1.554 billion
Adjusted EBITDA	€390m	approx €450m	approx €450m	15.9% €452m
Adjusted EBITDA-margin	27.4%	approx 28.5%	approx. 29.0%	29.0%

IONOS performed in line with expectations for the 2024 fiscal year with a positive result and slightly exceeded the adjusted expectations from July 2024 in all forecast key figures.

As the group holding company, IONOS Group SE had expected a slightly negative EBITDA for fiscal year 2024. With a negative EBITDA of € -959k, the company was in line with expectations for fiscal year 2024. Due to the pure holding function of IONOS Group SE, neither the generation of revenues nor profits is a goal of the company.

Business development

In the fiscal year 2024, sales rose by 9.6% from €1,423,734k in the previous year to €1,560,301k, driven by a very positive development in sales figures across all product lines.

In light of the increased revenue, the EBITDA margin rose accordingly from 27.1% to 27.6%, and the EBIT margin rose from 19.5% to 20.4%.

As of December 31, 2024, the IONOS Group employed 4,182 people. Despite positive company performance, the number of employees fell by -182 or -4.2% year-on-year (4,364 employees) due to fluctuation and an optimization of the staff in some departments.

Quarterly development: changes compared to the previous quarter (unaudited; see "Unaudited sections")

in €m	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Revenue	373.0	378.6	390.0	418.7	365.0	14.7%
EBITDA	101.3	106.1	112.9	109.9	80.0	37.4%
EBIT	74.2	78.7	85.5	79.9	52.6	51.8%

Multi-year overview: development of key revenue and earnings figures

in €k	2020	2021	2022	2023	2024
Revenue	988,281	1,103,297	1,292,961	1,423,734	1,560,301
EBITDA	340,257	326,301	320,353	385,380	430,222
EBITDA-margin	34.4%	29.6%	24.8%	27.1%	27.6%
EBIT	229,367	213,651	208,021	277,472	318,176
EBIT-margin	23.2%	19.4%	16.1%	19.5%	20.4%

In previous years, the earnings figures were affected by one-time items in the form of IPO costs (fiscal year 2022) and their transfer (fiscal year 2023) in connection with the IPO of IONOS Group SE. Please refer to the comments in section "2.3 Position of the Group" for more information.

IONOS's operating business is divided into the segments "Digital Solutions & Cloud" and "AdTech".

Details of the business models of the segments can be found in chapter 1.1 "Business model".

"Digital Solutions & Cloud" segment

In the Digital Solutions & Cloud segment, the focus in the 2024 fiscal year was again on acquiring further customers.

The total number of customers rose by around 164,000 to a total of approximately 6.32 million. As part of a policy of harmonization at subsidiaries, the customer numbers for the previous year were adjusted.

Development of customers in the fiscal year 2024 (unaudited; see notes on unaudited sections)

in million[1]	December 31, 2024	December 31, 2023	Change
Total customers	6.32	6.16	0.16
thereof domestic	3.20	3.16	0.04
thereof foreign	3.12	3.00	0.12

in million[1]	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Total customers	6.23	6.25	6.27	6.32
Net growth during the quarter in thousands	70	26	19	48

(1) Customer numbers in previous periods adjusted retrospectively by -0.03 million customers, after harmonization of the policy at subsidiaries in the context of the annual financial statements as of December 31, 2024.

Key revenue and earnings figures in the fiscal year 2024

January - December (€k)		2023	2024	Change
Revenue		1,118,752	1,248,070	11.6%
Cost of sales		–493,944	–538,853	9.1%
Depreciation and amortization		107,502	111,716	3.9%
EBITDA		**335,197**	**388,306**	**15.8%**
adjusted EBITDA		**339,853**	**410,281**	**20.7%**

Due to the growth in customers and the successful upselling and cross-selling, revenue in the Digital Solutions & Cloud segment increased by 11.6% year-on-year, from €1,118,752k to €1,248,070k. Further growth in virtual private server products and in the enterprise customer business relating to the Enterprise Cloud in the Cloud Solutions area also contributed to this.

Segment EBITDA rose by 15.8% to €388,306 due to revenue growth and a higher margin resulting from economies of scale and price effects.

Adjusted for one-time effects, segment EBITDA increased by 20.7% year-on-year, from €339,853k to €410,281k in fiscal year 2024.

Quarterly development: changes compared to the previous quarter (unaudited; see notes "unaudited sections")

in €k	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Revenue	307,305	305,945	309,844	324,976	289,138	12.4%
Cost of sales	–130,338	–133,280	–135,388	–139,848	–124,602	12.2%
Depreciation and amortization	27,051	27,359	27,326	29,980	27,285	9.9%
EBITDA	88,737	96,835	105,332	97,401	68,875	41.4%
adjusted EBITDA	93,241	102,971	108,839	105,230	72,861	44.4%

“AdTech“ segment

Key revenue and earnings figures in the fiscal year 2024

January - December (€k)		2023	2024	Change
Revenue		304,982	312,231	2.4%
Cost of sales		–243,994	–262,379	7.5%
Depreciation and amortization		406	330	–18.7%
EBITDA		**50,183**	**41,916**	**–16.5%**
adjusted EBITDA		**50,443**	**41,916**	**–16.9%**

Growth in the AdTech segment accelerated again in the second half of the year compared to the previous six months, with the result that revenues increased by 2.4% year-on-year.

Primarily due to lower margins associated with a weaker market environment in the first half of 2024, EBITDA decreased by 16.5% year-on-year.

Quarterly development: changes compared to the previous quarter (unaudited; see notes "unaudited sections")

in €k	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Revenue	65,664	72,700	80,149	93,718	75,887	23.5%
Cost of sales	–51,704	–60,626	–68,562	–81,487	–60,894	33.8%
Depreciation and amortization	94	83	77	76	101	–24.8%
EBITDA	12,566	9,262	7,582	12,506	11,110	12.6%
adjusted EBITDA	12,566	9,262	7,582	12,506	11,110	12.6%

Group Investments

Significant changes in investments

There were no significant changes to the investment structure within IONOS in the fiscal year.

In addition to the (fully consolidated) core operating companies, IONOS held the following minority interests as of December 31, 2024, which are included in the at-equity result.

Minority holdings in partner companies

In October 2021, IONOS acquired a stake in Stackable GmbH. As of December 31, 2024, IONOS's voting interest was 27.54%. For fiscal year 2025, IONOS expects increasing revenues and a positive EBITDA development at Stackable GmbH.

Since January 2010, the group has held an interest in Domains Bot S.r.l. The voting interest as of December 31, 2024, was 49.0%. In the 2024 fiscal year, the investment value of Domains S.r.l. was depreciated by €1,155k to the fair value.

In September 2023, IONOS acquired a stake in Street Media GmbH. As of December 31, 2024, the share of voting rights was 28.70%. For the coming fiscal year, IONOS expects increasing revenues and a positive EBITDA development.

Share and dividend

Share

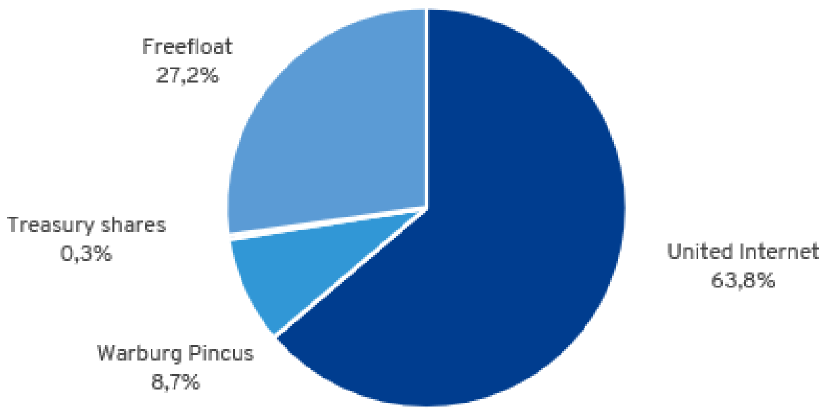
In the 2024 fiscal year, the IONOS Group SE share performed well, closing the year at €21.85, 25.1% higher than at the end of the previous year. The share outperformed the benchmark indices DAX (+18.8%) and SDAX (-1.8%) during this period.

As of December 31, 2024, the market capitalization of IONOS Group SE was around €3.06 billion.

With effect from December 23, 2024, the shares of IONOS Group SE have made it into the TecDAX index.

Development of the share price, indexed

Shareholder structure as of the reporting date December 31, 2024



Share data

	2023	2024
Highest closing price	€17.90	€29.70
Lowest closing price	€12.34	€16.70
Closing price 12/31	€17.46	€21.85
Performance	–5.6%	25.1%
Market capitalization in € billion	2.444	3.059

Stock market	Frankfurt Stock Exchange
Stock market segment	Prime Standard
Index	SDAX, TecDAX
Stock market symbol	IOS
ISIN	DE000A3E00M1
WKN	A3E00M
capital stock	140,000,000
Issue price IPO	€18.50

Dividend

IONOS does not intend to pay a dividend in the near future but to continue to invest the profits generated in the organic development of the company and the implementation of the growth strategy, as well as to further reduce debt.

The focus is on achieving long-term shareholder value, exploiting current market opportunities and ensuring financial flexibility in order to be able to deal with future opportunities and challenges in the best possible way.

Annual General Meeting

The Annual General Meeting of IONOS Group SE took place on May 15, 2024, in Frankfurt am Main in person. Around 94.3% of the share capital was represented in the vote. In addition, postal votes amounting to around 0.6% of the issued capital were received. The shareholders approved all agenda items requiring a vote by a large majority.

Capital stock and treasury shares

As of December 31, 2024, the share capital of IONOS Group SE amounted to €140,000,000.

On May 8, 2024, the Management Board of IONOS Group SE decided, with the approval of the Supervisory Board, to launch a share buyback program and to acquire up to 850,000 of its own treasury shares (approximately 0.6% of the issued capital of €140,000,000) via the stock exchange. The volume of the buyback program was set at a total of up to €25 million (excluding transaction costs).
The buyback was carried out primarily to service claims arising from the employee stock ownership program established before the IPO but can be used for all purposes covered by the authorization of the Extraordinary General Meeting of January 26, 2023.

In the period from May 17, 2024, up to and including July 25, 2024, 850,000 shares were purchased at an average price of €26.26.

A part of the shares were used to service claims under the employee stock ownership program established before the IPO so that the company held 463,565 treasury shares (0.33% of the capital stock of €140,000,000) as of December 31, 2024.

Investor Relations

In the 2024 fiscal year, IONOS Group SE continued to use a combination of face-to-face and online events to interact with investors and share information. The Annual General Meeting took place in person.

In addition to direct interaction, the IONOS Group SE focused on publishing quarterly reports, the half-yearly financial report, the annual financial statements, and regular webcasts to provide comprehensive insights into the company's development.

Management and Investor Relations explained the corporate strategy and financial results in numerous face-to-face meetings with investors, particularly from Europe and North America. This enabled investors to get to know and understand the company in different formats and settings.

In addition, the IONOS Group SE website at https://www.ionos-group.com/de/investor-relations.html offers a comprehensive source of information. There, shareholders and interested investors not only have access to the publication dates of the financial reports, but also to the dates and locations of investor conferences and roadshows. The annual and sustainability reports are also available on the IONOS Group SE website.

Personnel report

As an internet service provider, IONOS is subject to the defining characteristics of the industry: high dynamics, short innovation cycles and intense competition. IONOS has been meeting these challenges with great success for many years. One of the key factors for the company's success and growth is its dedicated, competent, entrepreneurial and self-motivated employees and managers. The company therefore places a high value on a sustainable and balanced strategy across all aspects of human resources: from employee recruitment to target group-oriented entry and training formats, task-related qualification offers and support for individual career paths, to the development and long-term retention of executives, high potentials and top performers.

IONOS is once again a recognized top employer in 2025. Based on an independent study by the “Top Employers Institute”, IONOS has been awarded the title of “TOP Employer”. The certification is awarded to companies that offer their employees attractive working conditions. The assessment is based on career opportunities, benefits, working conditions, training and development opportunities.

Headcount and personnel expenses

In the highly competitive market for skilled workers in the ICT sector, the IONOS Group has once again succeeded in filling key positions with top talent, thus doing justice to the expansion of its business. In addition to employer marketing that is tailored to the target group, partnerships with training and further education providers, and the positive impact of the product brands, a candidate-friendly, competitive acquisition and selection process in the area of recruiting is at the center of successful personnel development.

As of December 31, 2024, the number of employees decreased by 4.2%, or 182 employees, to 4,182 (previous year: 4,364).

The number of employees in Germany fell by -7.3% or -174 employees to 2,212 employees as of December 31, 2024 (previous year: 2,386). In the foreign companies, the number of employees decreased by 0.4%, or -8 employees, to 1,970 employees (previous year: 1,978).

Multi-year overview: Development of the number of employees by domestic/foreign location[1]; change compared to the previous year:

	2020	2021	2022	2023	2024	Change
Employees, total	3,632	4,003	4,247	4,364	4,182	–4.2%
thereof domestic	1,926	2,230	2,326	2,386	2,212	–7.3%
thereof foreign	1,706	1,773	1,921	1,978	1,970	–0.4%

(1) Active employees as of December 31 of the respective fiscal year

Personnel expenses rose by 7% to €293,286 (previous year: €274,173) in the 2024 fiscal year due to one-time expenses for optimization measures. The personnel expenses ratio fell slightly to 18.8%.

in €k	2020	2021	2022	2023	2024	Change
Personnel expenses	200,287	234,954	247,416	274,173	293,286	7.0%
Personnel expense ratio	20.3%	21.3%	19.1%	19.3%	18.8%	–2.6

Average annual revenue per employee in relation to the number of employees amounted to approximately €367k in the 2024 fiscal year (previous year: approximately €331k).

Diversity

IONOS stands for a corporate culture that values diversity. After all, only a workforce that reflects the many facets of society can provide the ideal conditions for creativity and productivity and make employees - and the company itself - unique. This unique diversity creates an incomparable potential for ideas and innovation, which increases the company's competitiveness and offers opportunities for everyone.

At IONOS, all employees should experience appreciation and equal opportunities, regardless of nationality, ethnic origin, religion or ideology, gender and gender identity, age, disability, sexual orientation and identity. The aim is to find the field of activity and function for each employee in which their individual potential and talents can be utilized to the fullest extent possible.

Period overview: Employees by gender [1]

	2023	2024
Woman	1,401	1,330
Men	2,960	2,851
Divers	3	1

(1) Active employees as of December 31 of the respective fiscal year

The average age per employee at IONOS was around 38 years at the end of the 2024 fiscal year (previous year: 37 years).

Multi-period overview: age structure of employees[1]

	2023	2024
% < 30 years	28.0%	23.6%
% 30-50	59.7%	63.7%
% ≥ 50 years	12.3%	12.7%

(1) Active employees as of December 31 of the respective fiscal year

IONOS employees work in an international environment at around 40 locations worldwide.

Multi-period overview: Employees by country[1]

	2023	2024
Employees, total	4,364	4,182
thereof Germany	2,387	2,212
thereof France	8	9
thereof UK	273	242
thereof Austria	69	55
thereof Philippines	464	505
thereof Poland	339	319
thereof Romania	261	284
thereof Spain	445	444
thereof USA	118	112

[1] Active employees as of December 31 of the respective fiscal year

For more information on topics such as “HR strategy and organization”, “training and professional development”, “diversity and equal opportunities” and “occupational health and safety”, please refer to the IONOS Group SE Sustainability Report.

Liquidity and financing

Group financing is primarily geared towards the strategic business plans of the operating business units. In order to provide sufficient flexibility for further growth, IONOS therefore constantly monitors trends in the financing options available on the financial markets. Various financing options as well as potential for optimizing existing financing instruments are regularly reviewed. The current focus is on ensuring sufficient liquidity and the financial independence of the Group. In addition to its strong internal financing power, the Group maintains sufficient liquidity reserves with core banks and is involved in cash pooling with United Internet AG. The flexible utilization of liquidity reserves enables efficient management of the Group's liquidity, optimal debt management to reduce interest costs.

The loan taken out as part of the refinancing with a banking consortium in 2023 amounted to €800,000k on the balance-sheet date. The loan has a remaining term of two years and is due at maturity.

Liabilities to banks amounted to €797,679k (previous year: €797,587k) as of the balance sheet date of December 31, 2024.

The existing shareholder loan from United Internet AG will be repaid as scheduled. The remaining debt from the shareholder loan therefore amounts to €170,000k.

2.3 Position of the Group

Group’s earnings position

The number of paying customers increased by a total of 160,000 in the 2024 fiscal year, reaching 6.32 million customers as of December 31, 2024.

IONOS's total revenues (sum of revenues from contracts with customers and revenues with related parties) increased by 9.6% to €1,560,301k in the 2024 fiscal year (previous year: €1,423,734k). The increase is mainly due to positive developments in new customer business and higher revenues from cross-selling and upselling to existing customers, particularly with email and cloud/VPS server products. In addition, the continuous expansion of the cloud infrastructure and services business and the lagging effects of last year's price increases contributed to the revenue increase.

Of the third-party revenues at IONOS, €662,877k (previous year: €654,749k) are generated abroad.

Revenues with affiliated companies amounting to €45,696k (previous year: €45,531k) result mainly from internal cost allocation. IONOS provides general services for United Internet Group companies in the areas of development, sales, data centers and product management.

In the fiscal year, revenues from contracts with customers amounted to €1,514,605k (previous year: €1,378,203k), of which product revenues from the Web Presence & Productivity segment amounted to €1,025,419k (previous year: €917,098k), the Cloud Solutions business unit in the amount of €176,955k (previous year: €156,123k), and the AdTech business unit in the amount of €312,231k (previous year: €304,982k). In the context of Group-wide standardization, some products were reclassified and reallocated. As a result, the previous year's revenues of the Cloud Solutions business unit increased by €6,816k. In the Web Presence & Productivity business unit, revenues fell by €-6,816k in the previous year. In addition, the AdTech business unit, which was reported in the Web Presence & Productivity business unit in the previous year, is being reported for the first time.

Multi-period overview: development of key cost items

in €k	2020	2021	2022	2023	2024
Cost of sales	450,675	535,401	698,247	737,938	801,232
Cost of sales ratio	45.6%	48.5%	54.0%	51.8%	51.4%
Gross margin	54.4%	51.5%	46.0%	48.2%	48.6%
Selling expenses	238,977	265,132	296,168	318,647	325,025
Selling expenses ratio	24.2%	24.0%	22.9%	22.4%	20.8%
Administrative expenses	70,128	77,037	87,616	97,144	100,502
Administrative expenses ratio	7.1%	7.0%	6.8%	6.8%	6.4%

The cost of sales rose at a lower rate than revenues, from €737,938k (51.8% of total revenues) in the previous year to €801,232k (51.4% of total revenues) in fiscal year 2024. The gross margin rose slightly from 48.2% to 48.6%. Gross profit increased by 10.7% from €685,796k to €759,069k.

Selling expenses of €325,025k (20.8% of total revenues) increased at a lower rate than total revenues compared to the previous year (€318,647k; 22.4% of total revenues). The increase is mainly due to a rise in personnel expenses to €136,692k (previous year: €131,505k).

Administrative expenses also increased at a slightly lower rate than total revenues, from €97,144k in the previous year (6.8% of total revenues) to €100,502k (6.4% of total revenues), partly as a result of higher personnel expenses, which rose to €34,933k (previous year: €32,473k). In contrast, legal and consulting fees as well as insurance and contribution expenses decreased.

Overall, the disproportionately low-cost development is mainly due to economies of scale.

Other operating expenses amounted to €19,128k in the fiscal year 2024 (previous year: €14,799k) and mainly include expenses from foreign currency conversion of €14,097k (previous year: €10,062k) and expenses unrelated to the accounting period of €1,533k (previous year: €1,039k).

Impairment losses on receivables and contract assets rose to €17,054k in 2024 (previous year: €14,145k). The increase was primarily due to higher losses on receivables and increased valuation allowances on receivables due to a slight deterioration in the payment behavior of some customers and the weakening of the overall economic environment.

Other operating income decreased to €20,816k in the 2024 fiscal year (previous year: €36,411k). The 42.8% decline in other operating income is mainly due to the decrease in income relating to other periods. In the previous year, this included income from the transfer of IPO costs in the amount of €11,719k (2024: €0k).

The result from operating activities increased by 14.7% from €277,472k in the previous year to €318,176k.

Financing expenses fell to €78,018k in fiscal year 2024 (prior year: €93,784k). The decrease in financing expenses resulted primarily from a decrease in interest expenses to United Internet AG to €19,061k (prior year: €80,112k). By contrast, interest expenses from the subsequent measurement of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG) rose to €15,155k (previous year: €7,815k), while interest expenses from the syndicated loan rose to €37,422k (previous year: €1,125k).

Financial income decreased to €5,411k in fiscal year 2024 (previous year: €31,875k). This decrease was due to the subsequent valuation of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG; 2024: €2,424k; previous year: €30,695k).

Earnings before taxes increased from €215,312k in the previous year to €243,812k in the 2024 fiscal year.

The increase in tax expenses from €41,066k to €74,140k has a negative impact on the overall consolidated result. In the fiscal year, deferred tax assets on interest carryforwards in the amount of €2,081k were utilized. In the previous year, additional deferred tax assets on interest carryforwards had been recognized in full for the first time in the amount of €30,697 thousand due to positive planning of tax results.

The consolidated net income attributable to the shareholders of IONOS fell slightly by -2.6% to €169,666k (previous year: €174,231k). The main effects to be mentioned here are the increase in tax expense and the decrease in financial income, which in the previous year were significantly influenced by non-taxable income from the subsequent valuation of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG). The increase in the operating result had the opposite effect. In this regard, we refer to our comments above on the development of key cost items.

The Group's EBITDA increased by 11.6% from €385,380k in the previous year to €430,222k due to the growth in revenues and a higher margin.

The company's adjusted EBITDA also increased year-on-year in fiscal year 2024 and amounted to €452,197k (previous year: €390,296k).

Adjusted EBITDA is calculated as follows:

in €k	2024	2023	2022
Earnings before taxes	243,812	215,312	112,008
Share of the profit or loss of associates accounted for using the equity method	–1,757	–251	112
Financial income	5,411	31,875	9,843
Financing expenses	–78,018	–93,784	–105,968
Operating result	318,176	277,472	208,021
Depreciation and amortization of intangible assets and property, plant and equipment	112,046	107,908	112,332
EBITDA	430,222	385,380	320,353
Adjustment for LTIP (1)	5,692	5,879	4,208
Adjustment for stand-alone activities (2)	10,394	9,478	13,048
Adjustment for IPO costs (3)	0	–11,719	8,829
Adjustment for consulting fees incurred for one-off projects (4)	0	0	1,118
Adjustment for sale of shares (5)	0	0	–1,910
Adjustment for severance payments (6)	5,889	1,278	0
Total adjustments	21,975	4,916	25,293
Adjusted EBITDA	452,197	390,296	345,646

Adjustments to EBITDA in the 2024 fiscal year relate to:

- LTIP adjustment: Expenses for employee participation programs in the amount of €5,692k (previous year: €5,879k).
- Adjustment for stand-alone activities: Expenses for the establishment of stand-alone activities of €10,394k (previous year: €9,478k). This relates to costs in connection with the preparation of our separation from the United Internet Group - in particular the billing systems operated by 1&1 Telecommunication SE and the associated services - and the establishment of IONOS Group as an independent group (billing carve-out project).
- Adjustment of IPO costs: includes external costs incurred in connection with the IPO, and in the previous year included the income from the passing on of costs incurred in connection with the IPO to the shareholders United Internet and Warburg Pincus.
- Adjustment for consulting costs and one-off projects: Consulting costs for one-off projects in the amount of €0 (previous year: €0), which were incurred for external consulting companies providing support for special projects. Special projects are, but not exclusively, projects relating to M&A/capital markets, restructuring and complex accounting projects.
- Adjustment of sale of shareholdings: Income from the sale of minority or majority shareholdings in the amount of €0 (previous year: €0). Includes only the accounting income from the deconsolidation of the minority interest Intellectual Property Management Inc. in fiscal year 2022.
- Adjustment of severance payments: Expenses for severance payments in the amount of €5,889k (previous year: €1,278k). Includes costs in connection with reorganization and restructuring measures.

Other comprehensive income increased from €5,322k in the previous year to €9,813k in the 2024 fiscal year and relates exclusively to the change in currency differences in 2024.

Group's financial position

Cash flow before changes in balance sheet items (subtotal) increased from €309,864k in the previous year to €358,267k in the 2024 fiscal year, mainly due to the positive development of the operating result. Lower payments from employee participation programs also had a positive effect on cash flow from operating activities.

Cash flow from operating activities in the 2024 fiscal year increased from €314,496k in the previous year to €386,803k. This was mainly due to a significant year-on-year increase in cash flow before changes in balance sheet items (subtotal) and the increase in liabilities. The increase in receivables and other assets had the opposite effect on cash flow from operating activities.

The cash flow from investing activities for the 2024 fiscal year amounts to -€100,313k (previous year: -€114,166k). The change is mainly due to lower cash payments of €23,983k (previous year: €27,502k) in connection with cash pooling, lower payments of €0k (previous year: €4,416k) in connection with company acquisitions, and reduced payments for investments in intangible assets and property, plant and equipment of €81,699k in the previous year to €76,872k in the 2024 fiscal year.

The development of cash flow from financing activities in the 2024 fiscal year (net cash outflow of €-279,366k) was determined not only by the repayment of loans in the amount of €-180,000k (previous year: €-895,000k) but also by the absence of new loans (previous year: €+800,000k) and the first-time acquisition of treasury shares with a volume of €-22,319k (previous year: €0k).

Cash and cash equivalents amounted to €30,180k as of December 31, 2024, compared with €22,652k as of the previous year's reporting date.

As of December 31, 2022, non-current liabilities to related parties comprised a vendor loan of €819,000k for the acquisition of shares in IONOS SE and a loan of €350,000k for the acquisition of shares in STRATO AG. Both loans bore interest at 6.75% p.a. and had a term until December 31, 2026. Both loans were unsecured. In addition, there was a long-term loan liability to United Internet AG in the amount of €76,000k. The loan was granted for the acquisition of shares in World4You Internet Service GmbH. It bore interest at 5.0% p.a.

On January 27, 2023, these three loans were combined to form a loan in the total amount of €1,245,000k, which bears interest at 6.75% p.a. and has a term until December 15, 2026. The loan to banks concluded on December 15, 2023, was used in full to repay the long-term loan from United Internet AG, bears interest at 4.67% p.a., and matures on December 15, 2026.

At the end of the fiscal year, non-current financial liabilities to related parties amounted to €170,000k (prior year: €350,000k) between IONOS Holding SE and United Internet AG and to a loan to a bank consortium of €800,000k (prior year: €800,000k).

The ability of IONOS to meet its payment obligations from the main financing arrangements is secured by the positive operating cash flow and the internal cash pooling system of the United Internet Group.

Development of the key cash flow figures:

in €k	2023	2024	Change
Cash flow before changes in balance sheet items (subtotal)	309,864	358,267	15.6%
Cash flow from operating activities	314,496	386,803	23.0%
Cash flow from investing activities	–114,166	–100,313	–12.1%
Free Cashflow [1]	219,438	296,196	35.0%
Cash flow from financing activities	–204,524	–279,366	36.6%
Cash and cash equivalents at end of period	22,652	30,180	33.2%

[1] Free cash flow is defined as cash flow from operating activities (disclosed in the consolidated financial statement), less capital expenditure for intangible assets and property, plant, and equipment, plus payments from the disposal of intangible assets and property, plant, and equipment, and including the repayment of lease liabilities, which have been recognized in net cash payments in the financing area since the 2019 fiscal year.

Group's asset position

The group's total assets increased from €1,596,265k as of December 31, 2023, to €1,643,586k as of December 31, 2024.

Development of current assets:

in €k	2023	2024	Change
Cash and cash equivalents	22,652	30,180	7,528
Trade accounts receivable	73,512	91,492	17,980
Receivables from related parties	63,094	88,487	25,393
Contract assets	8,235	9,235	1,000
Inventories	69	54	–15
Prepaid expenses	25,530	26,684	1,154
Other financial assets	28,313	16,306	–12,007
Other non-financial assets	658	939	281
Income tax claims	2,722	6,262	3,540
Total current assets	**224,785**	**269,639**	**44,854**

Current assets increased from €224,785k as of December 31, 2023, to €269,639k as of December 31, 2024. This is mainly due to increased receivables as a result of rising revenues and increased receivables from related parties.

Receivables from related parties increased from €63,094k to €88,487k in fiscal year 2024, mainly due to the increase in receivables from the cash pool with United Internet AG.

Trade accounts receivable increased by €17,980k to €91,492k (previous year: €73,512k) in connection with the higher revenues.

This is offset by a decline in other financial assets of €12,007k, which is mainly due to project grants received.

The income tax claims increased from €2,722k in the previous year to €6,262k.

Development of non-current assets:

in €k	2023	2024	Change
Investments in associated companies	4,279	2,407	–1,872
Receivables from finance leases	2,851	2,509	–342
Other financial assets	761	761	0
Property, plant and equipment	321,661	315,402	–6,259
Other intangible assets	164,174	145,610	–18,564
Goodwill	826,271	830,144	3,873
Contract assets	9	22	13
Prepaid expenses	13,628	26,122	12,494
Deferred tax assets	37,846	50,970	13,124
Total non-current assets	**1,371,480**	**1,373,947**	**2,467**

Non-current assets increased slightly from €1,371,480k as of December 31, 2023, to €1,373,947k as of December 31, 2024.

Property, plant and equipment decreased from €321,661 to €315,402k. Investments of €83,503k were offset by depreciation of €86,262k and asset disposals of €7,802k. The asset disposals mainly relate to disposals of the right of use.

Intangible assets decreased from €164,174k to €145,610k, mainly as a result of the ongoing amortization of software and customer base. Goodwill increased from €826,271k in the previous year to €830,144k as of December 31, 2024, due to exchange rate effects.

The prepaid expenses of €26,122k include payments to third parties for contract initiation, which are amortized over the term of the contract. The increase of €12,494k reflects the positive customer development and a longer customer lifetime.

Development of current liabilities:

in €k	2023	2024	Change
Trade accounts payable	89,227	112,311	23,084
Liabilities to related parties	6,292	6,280	–12
Liabilities due to banks	1,125	102	–1,023
Income tax liabilities	21,982	35,798	13,816
Contract liabilities	84,645	92,653	8,008
Other provisions	888	640	–248
Other financial liabilities*	48,186	58,077	9,891
Other non-financial liabilities*	45,770	54,251	8,481
Total current liabilities	**298,115**	**360,112**	**61,997**

* Previous year adjusted. The liabilities from wage and salary (2024: €22,205k; 2023: €19,761k) were reclassified from other financial liabilities to other non-financial liabilities to improve the consistency of the financial statements.

Trade accounts payable increased by 25.9% to €112,311k due to the balance-sheet date.

Total current liabilities increased from €298,115k as of December 31, 2023, to €360,112k as of December 31, 2024.

Current contract liabilities of €92,653k (December 31, 2020: €84,645k) primarily include payments from customer contracts for which the service has not yet been fully provided.

Other current financial liabilities increased from €48,186k in 2023 to €58,077k in 2024, mainly due to the subsequent measurement of the contingent purchase price liabilities (+€12,731k).

Development of non-current debt:

in €k	2023	2024	Change
Liabilities due to banks	796,462	797,577	1,115
Liabilities to related parties	350,000	170,000	–180,000
Deferred tax liabilities	33,652	42,827	9,175
Trade accounts payable	0	0	0
Contract liabilities	1,929	2,112	183
Other provisions	3,262	3,271	9
Other financial liabilities	115,626	108,927	–6,699
Total non-current liabilities	**1,300,931**	**1,124,714**	**–176,217**

Non-current liabilities decreased from €1,300,931k as of December 31, 2023, to €1,124,714k as of December 31, 2024, mainly due to the further repayment of the United Internet AG loan. Deferred tax liabilities increased from €33,652k in the previous year to €42,827k. Taking into account deferred tax assets, there is a net deferred tax asset surplus of €8,143k in the 2023 reporting year, compared to a net deferred tax asset surplus of €4,194k in the previous year.

- Increase in deferred tax liabilities on increased cost accruals in connection with revenue recognition by €4,340k.
- Decrease in deferred tax assets on interest carryforwards of €2,081k and increase in deferred tax assets on loss carryforwards of €509k.
- Reduction of deferred tax liabilities from amortization of intangible assets in connection with company acquisitions by €5,842k.
- Increase in deferred tax from provisions for LTIP by €3,482k.

Development of equity:

in €k	2023	2024	Change
Issued capital	140,000	140,000	0
Reserves	–122,222	41,672	163,894
Treasury shares	0	–12,172	–12,172
Currency translation adjustment	–20,697	–10,884	9,813
Equity attributable to shareholders of the parent company	–2,919	158,616	161,535
Non-controlling interests	138	144	6
Total equity	**–2,781**	**158,760**	**161,541**

Last year, despite negative equity, IONOS was positioned under going concern assumption, as

- IONOS or the previous IONOS SE Group (before the upward expansion of the Group), has achieved positive results in the past.
- IONOS will continue to achieve positive results in the future in line with corporate planning and
- IONOS or the previous IONOS SE Group (prior to the upward expansion of the Group), was able to secure financing at all times in the past (including via its main shareholder, United Internet AG) and expects to do so in the future as well.

On this basis, there was an expectation in the past that IONOS would be able to meet its financial obligations at all times.

Since the 2024 fiscal year, IONOS has reported positive total equity due to positive net income. Based on the company's development, the group will continue to be set up under the assumption of a going concern.

Net bank debt (i.e., the balance of liabilities due to banks and cash and cash equivalents) amounted to €767,499k as of December 31, 2024. In fiscal year 2023, net liabilities due to banks amounted to €774,935k. The relative debt, calculated as net liabilities due to banks in relation to EBITDA, amounts to 1.78.

IONOS did not hold any Treasury shares as of the balance sheet date of December 31, 2023. On May 8, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board and based on the authorization of the Extraordinary General Meeting on January 26, 2023, to acquire Treasury shares, initially decided to acquire up to 850,000 Treasury shares via the stock exchange. This corresponds to approximately 0.6% of the issued capital of €140,000k. The buyback program is to be carried out from mid-May 2024 and no later than February 28, 2025.

As part of the share buyback program, IONOS Group SE acquired a total of 850,000 Treasury shares for the first time in the period from May 17 to July 25, thereby completing the share buyback program. The purchase price excluding transaction costs amounted to €22,319k.

As of the balance-sheet date, IONOS Group SE still holds 463,565 Treasury shares, as 386,435 Treasury shares were issued in connection with employee stock ownership programs. This corresponds to approximately 0.3% of the share capital.

Management Board’s overall assessment of the Group’s business situation

Based on the positive overall economic development in IONOS' international sales markets, which is also expected by the International Monetary Fund (IMF), the Management Board of IONOS Group SE is optimistic about the future. This is also due to the stable and predominantly subscription-based business model. The Management Board continues to look ahead to the ongoing digitalization of small and medium-sized companies and the forecast growth in the cloud business.

The group's development has shown that the IONOS business model is relatively independent of economic conditions. Even in times of economic uncertainty or global challenges, the company has been able to further expand its customer base. The company has been able to accelerate customer growth by continuously expanding marketing activities in its core markets. Targeted measures are used to adapt to changing market conditions, such as the increase in certain cost types due to a shortage of supply and rising inflation rates. These measures are aimed at ensuring the company's profitability in the medium term.

Passing on cost increases to customers through price increases ensures the competitiveness and long-term stability of IONOS. The company's adjusted EBITDA increased by 15.8% to €452,197k in fiscal year 2024 (prior year: €390,296k). This increase reflects the company's positive development.

IONOS will continue this business policy of recent years in the years to come. In fiscal year 2024, the aim is to further develop today's target markets in the areas of web presence & productivity and cloud solutions. In addition to developing the core business of the web presence & productivity segment, the focus is particularly on further expanding our cloud product portfolio for medium-sized companies and in the public sector.

This is being done in conjunction with the further expansion of existing customer relationships by explicitly promoting the activation of certain products, specifically tailored to the profile of the respective customer. This strategy ensures further growth, both from new and existing customers.

Overall, the Management Board considers IONOS Group SE to be very well positioned for further corporate development as of the balance sheet date of the 2024 fiscal year and at the time this combined management and group management report was prepared.

2.4 Position of the Company

Earnings of IONOS Group SE

Total revenues in the 2024 fiscal year amounted to €17,997k (previous year: €3,243k) and resulted primarily from revenues with affiliated companies. The revenues with affiliated companies in the amount of €17,997k (previous year: €3,243k) result from internal cost allocation. These are primarily costs of the management boards that are passed on to IONOS Holding SE. In 2024, the item includes an addition to the stock appreciation rights (SAR) provision in the amount of €9,070k; in 2023, the item included a correction of revenues from the reversal of the long-term incentive (LTIP) provision in IONOS Holding SE in the amount of €7,701k.

The company's other operating income in the fiscal year 2024 amounted to €1,025k (prior year: €34,917k). They mainly include income from internal cost transfers of €907k (previous year: €959k) and income from the reversal of provisions of €79k (previous year: €15,997k). The income from the reversal of provisions in the previous year was due to the reversal of LTIP provisions. In addition, other operating income in the previous year included income unrelated to the accounting period in the amount of €11,949k, mainly from the transfer of IPO costs to the shareholders of the company.

The personnel expenses of IONOS Group SE amounted to €15,961k in fiscal year 2024 (prior year: €10,085k). The personnel expenses ratio in relation to revenues was 88.7% (prior year: 311.0%). Personnel expenses relate to the remuneration of the current members of the Management Board of IONOS Group SE.

The company's other operating expenses for the fiscal year amounted to €4,020k (previous year: €18,858k) and mainly include expenses from internal cost transfers of €907k (previous year: €959k), expenses for accounting and audit costs of €898k (previous year: €843k), expenses for consulting fees and Supervisory Board remuneration in the amount of €724k (previous year: €4,602k), as well as expenses for external work in the amount of €447k (previous year: €8,034k) and expenses relating to other periods in the amount of €268k (previous year: €1,002k). The consulting costs reported in the previous year were incurred in connection with the IPO in 2023; the expenses for external work in 2023 are related to the change in the LTIP provisions.

The operating result of IONOS Group SE amounted to €-959k as of the balance sheet date (previous year: €9,216k) and was significantly influenced by the change in other operating income.

The income from loans of the company in the amount of €37k (previous year: €37k) relates exclusively to interest on the loan to IONOS Holding SE.

The interest expenses of IONOS Group SE in the amount of €540k (previous year: €3,833k) mainly comprise expenses from cash pooling interest of €388k (previous year: €229k) with IONOS Holding SE and interest expenses in connection with the raising of a syndicated loan by IONOS Holding SE in the amount of €152k (previous year: €3,605k)

The company's net loss for the fiscal year amounts to €2,474k (previous year: net profit of €5,405k).

Assets and financial position of IONOS Group SE

Total assets of IONOS Group SE decreased in fiscal year 2024 from €531,055k in the previous year to €529,342k. The main effects are explained below.

The company's receivables and other assets decreased from €10,877k to €9,154k. This is due to the €2,238k decrease in other receivables, with a countervailing €515k increase in receivables from affiliated companies. The receivables from affiliated companies primarily include receivables from the VAT group. In the previous year, the other receivables primarily comprised the transfer of the IPO costs to the minority shareholder WP XII Venture Holdings II SCSp, Luxembourg, in the amount of €2,238k.

Cash and cash equivalents increased from €0k in the previous year to €4k, which is mainly due to the buy-back of treasury shares.

In the 2024 fiscal year, the total equity of IONOS Group SE decreased from €515,903k to €498,666k. This corresponds to an equity ratio of 94.20% as of December 31, 2024, which represents a decrease compared to the previous year (97.15%). The main reason for this development is the repurchase of treasury shares, which resulted in an open deduction from the issued capital in the amount of €464k and a deduction from the allocable capital reserve in the amount of €14,300k. At the same time, the loss carryforward was reduced by €5,405k due to the offsetting of the previous year's net profit.

The net loss for the fiscal year 2024 amounts to €2,474k (previous year: net profit of €5,405k). Together with the loss carried forward from the previous year of €7,609k, this results in an accumulated loss of €10,082k (previous year: €7,609k).

The provisions of IONOS Group SE relate to tax provisions of €1,012k (previous year: €0k) and other provisions, which increased from €9,609k to €18,936k.

The other provisions mainly include personnel-related provisions of €17,798k (previous year: €8,701k) and provisions for accounting and audit costs of €898k (previous year: €697k). The increase in other provisions relates primarily to provisions for share-based payments under the stock appreciation rights program for three members of the Company's Management Board in the amount of €9,070k (previous year: €3,301k).

The company's liabilities increased from €5,543k in the previous year to €10,728k.

Trade accounts payable decreased from €58k in the previous year to €7k. The decline relates primarily to liabilities to legal advisors in connection with the IPO.

Liabilities to affiliated companies increased from €437k to €1,109k. They mainly comprise liabilities from cash pooling and cash pooling interest in the amount of €620k (previous year: €0k) and from the VAT group in the amount of €186k (previous year: €403k).

Other liabilities mainly include liabilities from value added tax amounting to €9,428k (previous year: €4,982k).

IONOS Group SE has been connected to the Group's own cash pool of United Internet AG via IONOS Holding SE since June 2022. IONOS Holding is integrated into the cash pool of United Internet AG and the financing of United Internet AG, is in turn secured by long-term credit lines.

In addition, the company has concluded a long-term loan agreement (loan) with IONOS Holding SE. The loan amounted to €364,100k as of the balance sheet date (previous year: €364,100k). There are no plans to adjust the repayment terms.

By being included in IONOS Holding SE's cash pooling system, IONOS Group SE is able to meet its payment obligations at all times.

Management Board’s overall assessment of the current business situation of the parent company

Due to its role as a holding company, the economic position of IONOS Group SE at the level of the separate financial statements is mainly influenced by the investment and financial results. In this respect, the overall statement of the Management Board on the economic situation of the Group also applies qualitatively to IONOS Group SE itself.

2.5 Non-financial key figures

The Management Board and Supervisory Board of IONOS are committed to ensuring the continued existence of the Group and sustainable value creation through responsible and long-term corporate governance. The Group's understanding of itself extends beyond the pursuit of economic goals and includes a commitment to the Group, the environment, employees, and other stakeholders.

IONOS fulfills its reporting obligation in accordance with the "Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports" (CSR Directive Implementation Act, CSR-RUG; Sections 315b and 315c in conjunction with 289c HGB) and publishes a separate non-financial Group report as part of a separate sustainability report. In the sustainability report, the company also fulfills its reporting obligation in accordance with the EU Taxonomy Regulation 2020/852 of the European Parliament and discloses the proportion of environmentally sustainable business activities accordingly.

The Group faces up to this responsibility in a variety of ways. The most important aspects are summarized in the following sections and are published in the form of a sustainability report on the IONOS Group SE website (https://www.ionos-group.com/de/investor-relations/veroeffentlichungen/berichte.html).

Sustainable business policy / corporate responsibility

IONOS is committed to a sustainable business policy. This sustainability is reflected in particular in the high level of investment in customer relationships.

The number of paying customers increased by a further 164k in the 2024 fiscal year. This growth resulted from 43k new customers in Germany and 121k abroad. The total number of customers therefore increased to 6.32 million. In the previous year, the customer figures were adjusted by -30k after harmonization a policy at subsidiaries.

Group: Development of the customer base in the 2023 fiscal year (in millions)

	12/31/2024	12/31/2023	Change
Customers total	6.32	6.16	0.16
thereof domestic	3.20	3.16	0.04
thereof abroad	3.12	3.00	0.12

In addition to acquiring new customers, the retention and loyalty of existing customers is the most important factor in expanding the customer base. The most important tool for IONOS is customer satisfaction. For this reason, structures and processes have been established to determine customer satisfaction and their wishes. The insights gained from this are used to identify potential for improvement and be implemented in specific measures to increase customer satisfaction (for example in the area of service or product quality).

In the interests of customer satisfaction, since October 2018, for example, all IONOS brand customers have been able to use a personal consultant free of charge as a central point of contact for all questions relating to the products, their contract and business success on the internet. IONOS thus accompanies companies through all phases of company development - from the homepage, store systems and own servers to the use of the enterprise cloud infrastructure developed in-house. Companies also have the option of using numerous cloud applications to support their businesses.

Employees

The Internet industry is characterized by high dynamics, short innovation cycles and global networking. IONOS, together with the entire United Internet Group, is meeting these challenges with great success.

IONOS had a total of 4,182 active employees as at December 31, 2024 (previous year: 4,364).

Green IT

In the wake of the global climate debate and constantly rising energy consumption, the computer industry is often talking about "green IT". In principle, the term "green IT" covers all measures that help to reduce both CO2 emissions and a company's energy consumption.

Today, the ICT sector makes a significant contribution to global value creation and is therefore a strong economic factor. At the same time, it is also a not insignificant CO2 emitter and requires a lot of electricity. For Internet service providers such as IONOS, this applies in particular to the data centers where many millions of cloud applications for private individuals and businesses are managed and which are facing growing demand due to the advancing digitalization of the economy and society.

Since 2022, the IONOS Group has been using only electricity from directly purchased renewable sources for its own data centers worldwide. In addition, the group places a high value on the renewable energy being produced in a neighboring region—usually in the same country or in a nearby, neighboring area.

In July 2023, IONOS published its 2024 climate strategy. This is aligned with the standards of the Science Based Targets Initiative (SBTi) of the Paris Agreement on 1.5 °C for data centers. IONOS has long avoided the majority of potential carbon dioxide emissions by using electricity from 100% renewable energy sources for its data centers and plans to continue to do so. In addition, IONOS has set itself the goal of reducing emissions associated with the fuels for the data centers' emergency generators by 55% in 2030 compared to 2019. By 2030, office buildings should also be using 100% electricity from renewable energy sources, and 50% of the company's own data centers should be generating renewable energy by installing photovoltaic systems. The targets defined in the climate strategy are reviewed internally on an annual basis and are closely linked to the other general business objectives.

In 2018, the decision was made to implement an energy management system (EnMS) in accordance with ISO 50001. The EnMS covers the IONOS Group's data centers that it operates itself and where it can control energy consumption accordingly. The application of the EnMS enables the continuous pursuit of energy efficiency goals and transparent traceability. Thus, the EnMS can be used to identify and eliminate any energy waste, thereby saving costs, as well as to identify and fulfill external requirements such as conducting regular energy audits. The EnMS thus makes an important contribution to sustainability management and can have a positive impact on reputation and market position. In addition, certification of the environmental management system according to ISO 14001 was achieved in 2024, which minimizes environmental impacts and promotes environmental protection. The EnMS was successfully audited and recertified for the last time in 2022. The next regular recertification is planned for 2025.

Important building blocks with regard to saving energy within the global data centers include:

- Steady increase in utilization per server and thus a reduction in the number of servers required.
- Early replacement of old servers with more modern, energy-efficient hardware.
- Some of the server hardware is specially assembled for IONOS, whereby superfluous components are avoided and, among other things, energy-saving processors and power supply units with low-heat loss are used.
- The web hosting system used by IONOS is a highly optimized in-house development based on Linux that makes it possible to manage data from thousands of customers on a single computer, thus making efficient use of resources.
- Virtualization allows "bare metal servers" to be increasingly replaced by virtual servers.

- By using containers, redundant operation of the operating system kernel can be dispensed with, which is instead shared by all instances – this enables even more "elastic" load-dependent scaling of the IT resources provided.

3. Risk, Opportunity and forecast report

IONOS' risk and opportunity policy is geared towards the goal of preserving and sustainably increasing the company's value by seizing opportunities and recognizing and managing risks at an early stage.

The risk and opportunity management system in place at IONOS Group ensures that the company can carry out its business activities in a controlled corporate environment. The risk and opportunity management system regulates the responsible handling of uncertainties that are always associated with entrepreneurial activity and thus ensures that IONOS can carry out its business activities in a controlled environment.

3.1 Risk report

Risk management

The risk management system is an integral part of the corporate policy, with the aim of identifying risks at an early stage and, where appropriate, limiting them. IONOS uses a group-wide risk management system to continuously identify risks at an early stage and to standardize the identification, assessment, control and monitoring of risks. These standards are continuously adapted to changing conditions and continuously developed. IONOS embraces a risk culture that is characterized by an open and transparent approach to risk and promotes this sense of responsibility through an open information and communication policy. Every employee is encouraged to contact Company Risk Management after becoming aware of a reportable risk.

The IONOS risk management system applies throughout the group and is integrated into the United Internet AG system.

In order to be successful in the long term in the area of conflict between profit opportunities and loss risks, risks are systematically included in the decision-making processes in accordance with uniform group standards. Risk management is thus a strategic success factor for corporate management, both for IONOS Group SE itself and for its subsidiaries.

The risk early warning system meets the statutory requirements, is in line with the German Corporate Governance Code, and is modeled on the guidelines set out in the international ISO 31000:2018 standard.

In accordance with the provisions of the German Stock Corporation Act, the Supervisory Board reviews the effectiveness of the risk management system.

The concept, organization and task of risk management at IONOS are documented in a risk management strategy and risk management manual that is available and valid throughout the group. These requirements are continuously adapted to changing legal conditions and continuously developed. Operational risk management, for which the Chief Financial Officer of IONOS Group SE is responsible, pursues the goal of managing risks for the entire group and regularly addresses specific risk issues for IONOS.

To exchange and compare risk information, risk inventories are regularly carried out with all areas of the Management Board and risk manager meetings are held with the cross-departmental units throughout the company. Risk training is offered at all levels of the company, as risk management is seen as an integral part of the corporate culture. The training concept will be further expanded and implemented in the onboarding process.

The Management Board and Supervisory Board are informed about the risk situation four times a year in the form of a report. The results are discussed both by the Management Board and the Supervisory Board, in particular by the Audit and Risk Committee set up for this purpose. An ad hoc reporting requirement is triggered in the event of identified, sudden material risks and changes in risk. The risk is then immediately reported to the CFO of IONOS Group SE, who also reports to the Supervisory Board if necessary. In this way, significant risks can be addressed as quickly as possible.

Methods and objectives of risk management

The risk management system comprises the measures that allow the company to identify potential risks that could jeopardize the achievement of corporate goals at an early stage through assessments and early warning systems, and to evaluate, manage and monitor them in monetary and scenario-oriented terms. The aim of risk management is to provide management with the greatest possible transparency regarding the actual risk situation, its change and the available options for action, in order to enable the conscious acceptance or avoidance of risks. Risks that could jeopardize the company must be avoided as a matter of principle.

Risks are assessed on a net basis, i.e. the effects of mitigating measures are only taken into account in the risk assessment once they have been implemented.

The risk appetite determined annually by the CFO describes the willingness to take risks. This is supported by the periodic value-at-risk calculations, which take into account not only the risk-bearing capacity but also the risk tolerance and risk appetite. This is done in accordance with the selected risk appetite as defined by IDW PS 981 and serves the purpose of risk-oriented corporate management.

In addition to traditional risks, i.e. the consideration of short-term financial risks, IONOS also carries out a medium- and long-term assessment of sustainability risks from an outside-in and inside-out perspective. The list of risk types is rounded off by emerging risks, which are subject to an annual review.

The aim of risk management is to protect assets in general, to create room for maneuver, to achieve planned corporate objectives, and to reduce risk and capital costs.

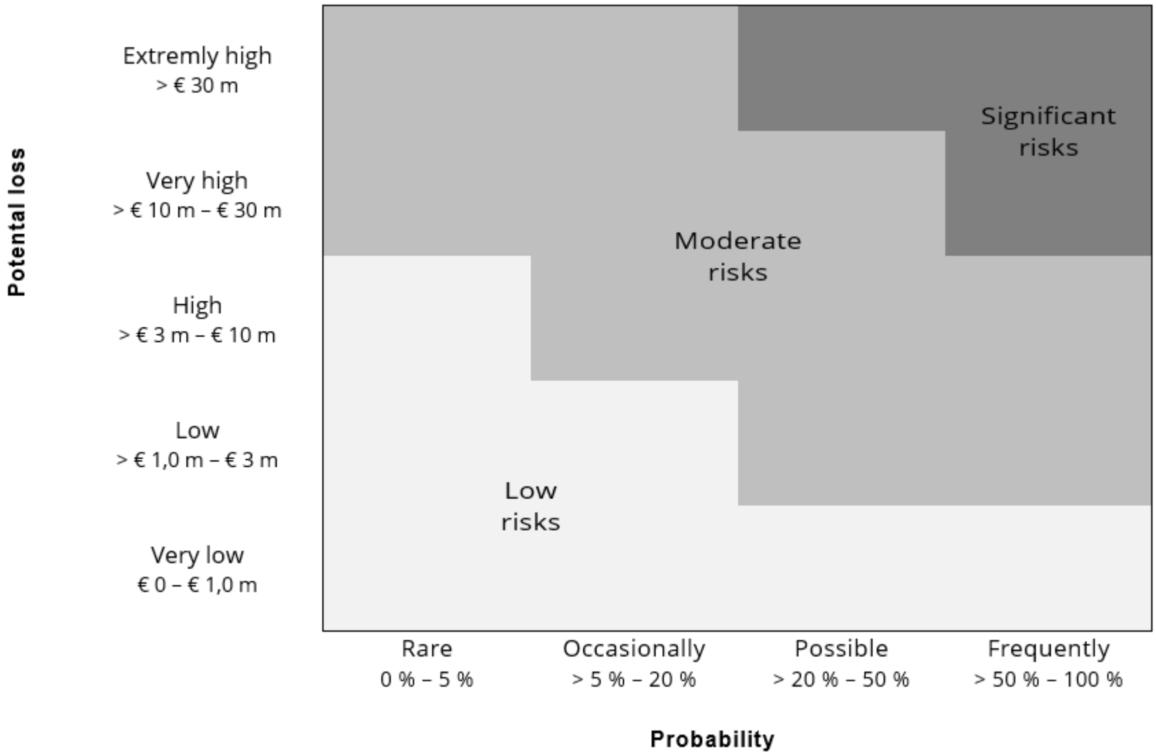
Risks for IONOS

The assessment of the overall risk situation is the result of a consolidated analysis of all known material risks. Based on all of these risks identified at IONOS, the following sections explain the material risk areas from the Group's perspective.

The starting point for assessing the materiality of risks is the likelihood of their occurrence and the potential damage they may cause. The potential damage includes all negative influences on the result. Based on the combination of probability of occurrence and potential damage, the risks are categorized into the three risk classifications “significant”, “moderate” and “low”.

Risk evaluation matrix IONOS

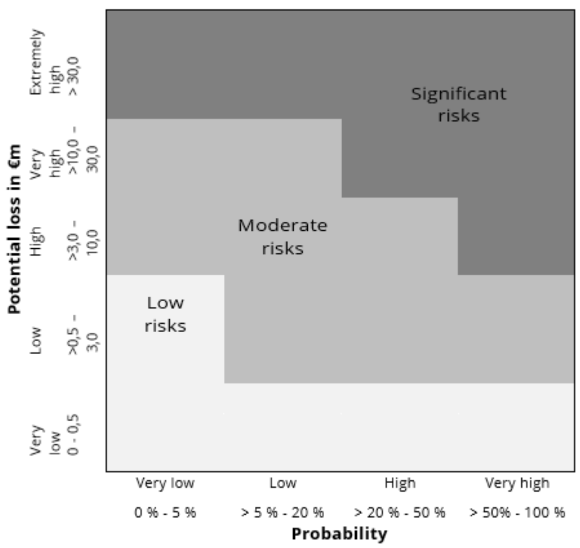
Risk evaluation matrix IONOS



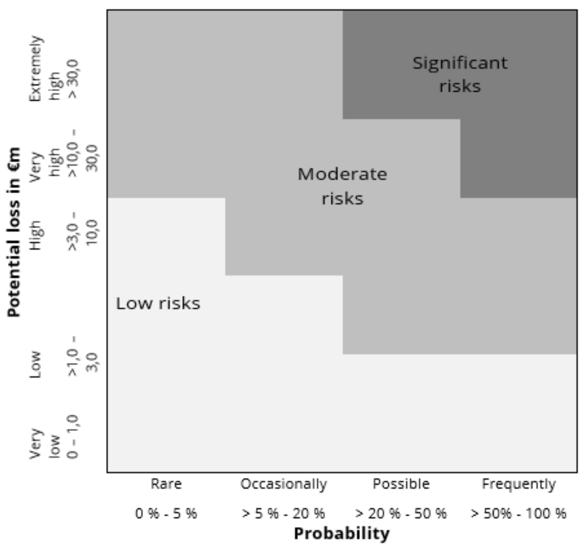
In the current fiscal year, the risk evaluation matrix and risk categories were adjusted.

- The parameters for the probability of occurrence were renamed as follows: Rare (previous year: Very low), Occasional (previous year: Low), Possible (previous year: High) and Frequently (previous year: Very high).
- The value of potential damage rated as “Very low” was increased by €0.5 million to €1.0 million. This also pushes up the value of “low” by €0.5 million.
- The risk areas “Low risks” and “Moderate risks” have been expanded and now provide a more realistic risk picture of IONOS. To ensure comparability of the risk ratings, the previous year's assessment was again carried out using the new risk assessment matrix.

Risk evaluation matrix 2023:



Risk evaluation matrix from 2024:



The risk categories were also revised this year and condensed from six to three main categories. Similar categories such as “Personnel development and retention” and “Recruitment market” were combined into “Employees”. All risks were transferred to the new categories of “Strategic Market & Business Risks”, “Operational Risks” and “Financial & Tax Risks”. Comparability with the previous year is ensured because these have also been reallocated.

The following risk categories have been omitted:

- “Organizational structure & decision-making” and “projects“.

The following categories have been split, integrated or renamed:

- “Capacity bottlenecks” in ”workflows and processes”, ”technical plant operation” or ”employees”;
- “Misconduct & irregularities” in ”regulatory environment”, ”workflows & processes” or ”litigation”;
- “Legislation & regulation” in “Regulatory environment“;
- “Fraud & credit default” is now called ”Fraud & credit default”.

Specific assessments by the Group's Management Board of the risk situation, the probability of occurrence, potential damage and the risk classification derived from this for the risks described below can be found at the end of this risk report.

Strategic Market & Business Risks

Sales market & competition

The markets in which IONOS operates are characterized by strong and sustained competition. Depending on the strategy of the parties involved in the market, different effects may arise that may, among other things, require an adjustment of one's own business models or pricing policies. Market share, growth targets or margins could also be jeopardized by new competitors entering the market. In addition, the IONOS Group itself occasionally enters new, additional markets with large competitors. Such entrepreneurial decisions always entail new risks.

IONOS is attempting to minimize these risks with detailed planning based on internal experience and external market studies, as well as constant monitoring of the market and competition. IONOS concurs with the official economic forecasts of the EU Commission, the IMF and the OECD for the coming year, which do not expect a significant recovery in the market situation in the German target market. The risk assessment has increased from moderate to significant compared to the previous year.

Procurement market

A gap in the procurement or delivery of resources needed for the company's operations can lead to bottlenecks or outages. This applies to the purchase of hardware and software as well as the purchase of advance services. Price increases of the purchased products and services pose a risk to the product margins that can be achieved. Delays can turn the planned positive effects of contractually fixed price adjustment rounds into risks for the company's periodic target achievement.

IONOS mitigates these risks by working with multiple service providers and suppliers with whom it has long-term relationships and contractual obligations, and, where economically feasible, by expanding its own value chain. Although significant and unforeseeable developments in the procurement market, for example, due to geopolitical tensions, cannot be fully mitigated, they can be counteracted by preventive measures such as the rapid increase in inventory levels.

The risk rating has decreased from moderate to low because there have been no significant recent price increases for licenses or services.

Participations & Investments

Acquiring and holding equity investments and making strategic investments is a key success factor for IONOS. In addition to better access to existing and new growth markets and to new technologies and expertise, equity investments and other investments also serve to unlock synergies and growth potential. However, these opportunities also involve risks. There is a risk, for example, that the hoped-for potential cannot be realized as expected or that acquired interests do not develop as expected (impairments, capital losses on disposal, dividend omissions or a reduction in hidden reserves).

All investments are therefore subject to a continuous monitoring process by the investment management team and are supported in a timely manner as needed. The recoverability of the investments made is continuously monitored by management and controlling.

IONOS is not currently aware of any significant risks in this area.

Business development & innovations

Another key factor in the success of IONOS is the development of new and constantly improved products and services to further increase revenues and earnings, acquire new customers, and expand existing customer relationships. There is a risk here that new developments will come onto the market too late or will not be accepted as expected by the target group.

IONOS counters these risks by closely and continuously monitoring the market, products and competition and by constantly responding to customer feedback in product development.

As in the previous year, this risk area is categorized as low.

Act of God

External events such as natural disasters (earthquakes, flooding, tsunamis, war, etc.), personnel crises (pandemics, strikes, etc.), infrastructure crises (power outages, road damage, etc.) or violent events (rampages, terrorist attacks, war, etc.) can affect business operations.

IONOS counters these risks as far as possible with a variety of measures. Examples include the operation of geo-redundant data centers, hygiene precautions and the development of emergency concepts. Regular development and review of the emergency concepts and their training are standard practice at IONOS.

The risk area has not changed from the previous year's assessment and continues to be categorized as moderate.

Macroeconomic environment

This risk category was introduced in the current fiscal year.

As a global company, IONOS is exposed to uncertainty in the global economy, in the financial markets, and to social and political instability. Disruptions to business operations can be caused by state conflicts, terrorist attacks, wars or international antipathy.

These external factors cannot be influenced, are difficult to predict, and can quickly develop a momentum of their own. Increasing military tensions around the world and global pandemic diseases could also have a negative impact on business operations, competitive or financial position, profit and cash flow.

The economy is currently preoccupied with the impact of the elections in Germany, for example, due to the preliminary federal budget and the resulting possibility of delayed call-offs by public-sector clients. Similarly, the economic policy measures of the Trump administration are a risk-increasing factor.

The Management Board and operational managers will monitor further developments closely and, if necessary, take appropriate countermeasures (if possible).

The risk assessment of the macroeconomic environment is classified as moderate.

Regulatory environment

Risks from the earlier categories of “misconduct & irregularities” and “legislation & regulation” are summarized under the category “regulatory environment”.

Amendments to existing legislation, the enactment of new laws and changes to state regulation topics may have unexpected negative effects on the business models pursued by IONOS and their further development. Similarly, there is a possibility that a lack of regulation will worsen the market environment for IONOS.

We are countering the regulatory risk by actively collaborating with several partners. The assessment remains unchanged from the previous year at a moderate level.

Operational Risks

Workflows & processes

In the context of the ever-increasing complexity and interoperability of the products offered, the demands on the further development of internal workflows and processes are constantly increasing. This goes hand in hand with constantly growing coordination efforts. The particular challenge here, in addition to ensuring quality standards, lies above all in adapting to the ever faster pace of market developments—and that in many different domestic and foreign markets.

The group counters these risks by continuously developing and improving internal workflows and processes, by deliberately bundling and retaining experts and key personnel, and by continuously optimizing its organizational structures.

As in the previous year, the risk level is categorized as moderate.

Fraud & credit default

In order to keep pace with the dynamic customer growth and to provide services as quickly as possible, IONOS' ordering and provisioning processes are largely automated – as is the case with many large companies in the mass market business. These automated processes naturally offer opportunities for fraudsters to attack. Due to the high attractiveness of the products and services offered, the risk of an increase in the number of non-payers and fraudsters is also increasing alongside the number of customers.

The group is endeavoring to prevent fraud attacks, or at least to recognize and stop them early on, by permanently expanding fraud management, working closely with partners and designing products accordingly.

As in the previous year, this risk area is assessed as moderate.

Cyber & Information Security

IONOS essentially achieves its business success in the internet environment. To provide its services, it uses information and telecommunications technologies (e.g. data centers, transmission systems and exchange nodes) that are closely networked with the internet and whose availability can be jeopardized by threats from the internet.

In order to be able to counter such risks increasingly quickly, the existing monitoring and alarm system, including the necessary processes and documentation, is continuously optimized.

There is also the risk of a hacker attack with the aim of spying on or deleting customer data or making improper use of services. In the 2024 fiscal year, there was also an increase in the professionalization of attackers and their methods. According to the Federal Office for Information Security (BSI), an average of 309,000 new malware program variants were detected daily between July 1, 2023, and June 30, 2024 (previous year: 250,000).

This risk is countered by using virus scanners, firewalling concepts, self-initiated tests and various technical control mechanisms.

The potential threats from the internet represent one of the biggest risk groups for IONOS in terms of their impact, and these are controlled by a variety of technical and organizational measures. In particular, the operation and continuous improvement of the security management system and the constant expansion of the resilience of the systems should be mentioned here.

The risk remains classified as moderate, as in the previous year.

Data privacy

IONOS stores its customers' data on servers in the company's own data centers, which are certified according to international security standards (ISO 27001), as well as in rented data centers. The handling of this data is subject to extensive legal requirements.

Nevertheless, it can never be completely ruled out that data protection regulations may be violated, for example, by human error or technical vulnerabilities. In such a case, there is a risk of fines and a loss of customer trust.

The Group is aware of this great responsibility and places a high value on data protection and pays particular attention to it. IONOS continuously invests in improving the level of data protection by using the latest technologies, constantly reviewing data protection and other legal requirements, providing comprehensive data protection training for employees, and integrating data protection aspects and requirements into product development as early as possible.

There was no change in the risk area of “data privacy” compared to the previous year, so the classification remains unchanged at moderate.

Employees

This category consists of risks in the areas of "personnel recruitment", "development & retention".

Highly qualified and well-trained employees are the basis for the economic success of IONOS. In addition to the successful recruitment of qualified personnel, the development of personnel and the long-term retention of key employees are of strategic importance. If IONOS is unable to develop managers and employees with specialized technical or technological knowledge and retain them, there is a risk that IONOS will not be able to effectively pursue its business activities and achieve its growth targets. A concentrated accumulation of strategic knowledge and skills (so-called head monopoly) can have a significant impact on the group's ability to provide services if a key employee leaves.

To counteract this, employee and management skills are constantly being developed. Targeted measures for professional development, mentoring and coaching programs, as well as special offers for high-potential employees, are offered to develop talent and leadership skills.

As an employer, the IONOS Group believes it is well positioned to continue to attract qualified specialists and executives with the potential to increase business success. As in previous years, this was confirmed by the Top Employers Institute with the “Top Employer 2025” award. As in the previous year, the risk rating is moderate.

Affiliate management

Formerly known as “Cooperation & Outsourcing”.

Individual IONOS business units work with cooperation and outsourcing partners. The focus is on objectives such as concentrating on the actual core business, reducing costs and sharing in the specialized knowledge of the partner. These opportunities are accompanied by risks in the form of dependencies on external service providers, as well as contractual and default risks.

To reduce these risks, a detailed market analysis and a due diligence audit are carried out with an external service provider before a contract is signed. In addition, a close and cooperative exchange with the cooperation and outsourcing partners is maintained after the contract has been signed.

Compared to the previous year, the risk assessment shows no change and is still categorized as moderate.

Litigation

IONOS is currently involved in various legal and arbitration proceedings that arise from the normal course of business. The outcome of legal proceedings is by nature uncertain and therefore represents a risk. If the amount of the obligation can be estimated reliably, the risks from the legal proceedings are taken into account in the provisions, if necessary.

As in the previous year, the risk area is assessed as moderate.

Technical plant operation

IONOS products and the business processes they require are based on a complex technical infrastructure and a variety of mission-critical software systems (servers, customer management databases, statistics systems, etc.). Constantly adapting to changing customer needs makes this technical infrastructure more and more complex, meaning that regular changes have to be made to it. As a result, but also due to major changes such as data migrations, a wide range of disruptions or outages may occur. If, for example, service systems are affected, the group would no longer be able to provide its customers with the promised service (temporarily) or would only be able to provide it to a limited extent.

The group counters these risks through targeted architectural adjustments, quality assurance measures and a spatially separate (geo-redundant) design of core functionalities.

In addition, various software- and hardware-based security measures are used to protect the infrastructure and availability. For example, risky actions or business transactions are not carried out by one employee alone, but according to the “four-eyes principle”. Manual and technical access restrictions also ensure that employees only work in their areas of responsibility. As an additional security measure against data loss, existing data is regularly backed up and stored in geo-redundant data centers.

There was no change in the risk area “Technical plant operation” compared to the previous year, so the classification remains unchanged at moderate.

Financial & Tax Risks

Financing & liquidity risks

The topics of “financial market”, “financing” and “liquidity” were summarized in this subcategory.

IONOS is generally exposed to risks in the financial market through its activities. This applies in particular to risks arising from changes in interest rates, exchange rates and financing.

On the basis of liquidity planning, the company constantly reviews the various investment options for liquid funds and the conditions for financial debt. Any financing needs that arise are covered by means of suitable liquidity management instruments. Liquidity surpluses are invested in the money market at the best possible terms. Changes in market interest rates can affect net interest income and are included in the calculation of profit-related sensitivities. The company regularly assesses the conclusion of interest rate hedging transactions in order to mitigate the negative effects of rising interest rates.

The exchange rate risk of IONOS results primarily from its operating activities (if revenues and / or expenses are denominated in a currency other than the functional currency of the group) and the net investments in foreign subsidiaries.

The Group's liabilities result directly from its business activities. As of December 31, 2024, there is a non-current loan of €800,000k and a loan from the parent company United Internet AG of the amount of €170,000k.

In addition, derivative financial instruments exist at IONOS, primarily in the form of contingent purchase price liabilities (€23,653k as of December 31, 2024). These are measured at fair value through profit or loss. Option pricing models are primarily used to measure the derivatives.

The aim of financial risk management is to limit risks through ongoing operational and finance-oriented activities. This also includes the financial covenants contained in the loans, which means that the risk of a claim is indicated as “rare”.

The liquidity risk of IONOS basically consists in the possibility that the company might not be able to meet its financial obligations, such as the repayment of financial liabilities. The company's goal is to continuously cover its financial needs and ensure flexibility, including by using overdrafts and loans.

Cash management involves the central calculation of the demand for and surplus of cash throughout the group. The number of external bank transactions is minimized by netting requirements against surpluses within the group. This is done, among other things, by using cash pooling procedures. The group has established standardized processes and systems to manage its bank and internal clearing accounts and to carry out automated payment transactions.

As in the previous financial year, the risk rating for the risk area of "financial & liquidity risks" remains moderate.

Tax risks

As an international group, we are subject to the tax laws applicable in the various countries in which we operate. Risks may arise from changes in tax legislation or case law, as well as from different interpretations of existing regulations.

IONOS is countering these risks by continuously expanding its existing tax management system.

Compared to December 31, 2023, there has been a decrease in the risk area from significant to moderate, as the potential damage for the coming year is estimated to be lower. The reason for the decrease is the successful implementation of process optimization measures.

Management Board's overall assessment of the Group's risk position

The assessment of the overall risk situation is the result of a consolidated analysis of all significant risk areas and individual risks.

- From today's perspective, the greatest challenge is the risk area "Sales market & competition". This was upgraded from moderate to significant in the reporting year. This is in line with the official forecasts for the German market, which represents a significant share of IONOS's revenue.
- The risk rating of the risk area "Procurement market" has decreased from moderate to low. This is mainly due to the successful implementation of measures such as the expansion of the supplier portfolio to avoid potential dependencies and the switch to more efficient products.
- The risk area "Macroeconomic environment" was newly introduced in the current financial year and did not contain any significant risks in the previous year. Thus, the risk classification increased from low to moderate.
- For the risk area "tax risks", the successful implementation of process optimization measures resulted in an improved classification from significant to moderate.
- Otherwise, the risk ratings of the risk areas of IONOS as of December 31, 2024, remained unchanged compared to December 31, 2023.

By continuously expanding its risk management, IONOS is countering risks and limiting them to a minimum by implementing specific measures, provided this makes economic sense.

The overall risk situation of IONOS has increased slightly in two of the three risk areas (Operational Risks and Financial & Tax Risks) compared to the previous year. By contrast, the overall risk position in the area of "Strategic Market & Business Risks" decreased.

In the 2024 fiscal year and as of the preparation date of this combined group management report, there were no identifiable risks to IONOS as a going concern, either from individual risk positions or from the overall risk situation.

The opportunities for IONOS were not taken into account in the assessment of the overall risk situation.

Probability of occurrence, potential damage and risk classification of risks:

	Segment	Probability of occurrence	Potential damage	Risk classification	Change compared to previous year
Strategic Market & Business Risks					
Sales market & competition	AdTech Digital Solutions & Cloud	Possible	Extremely high	Significant	Deteriorated
Procurement market	Digital Solutions & Cloud	Rare	High	Low	Improved
Participations & investments	Digital Solutions & Cloud	Currently no significant risks		Low	Unchanged
Business development & innovations	Digital Solutions & Cloud	Occasionally	Very low	Low	Unchanged
Act of God	AdTech Digital Solutions & Cloud	Rare	Extremely high	Moderate	Unchanged
Macroeconomic environment	Digital Solutions & Cloud	Possible	Very high	Moderate	Deteriorated
Regulatory environment	AdTech Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged

Operational Risks					
Workflows & processes	Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Fraud & credit default	AdTech Digital Solutions & Cloud	Possible	High	Moderate	Unchanged
Cyber & Information Security	AdTech Digital Solutions & Cloud	Rare	Extremely high	Moderate	Unchanged
Data privacy z	Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Employees	Digital Solutions & Cloud	Rare	Extremely high	Moderate	Unchanged
Affiliate management	AdTech Digital Solutions & Cloud	Occasionally	High	Moderate	Unchanged
Litigation	Digital Solutions & Cloud	Occasionally	High	Moderate	Unchanged
Technical plant operation	AdTech Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Financial & Tax Risks					
Financing & liquidity risks	AdTech Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Tax risks	Digital Solutions & Cloud	Possible	Very high	Moderate	Improved

3.2 Opportunity report

Opportunity management

Opportunity management is based on strategic planning and the measures derived from this for the development of products and their positioning in the various target groups, markets and countries during the product life cycle.

Direct responsibility for the early and continuous identification, assessment and management of opportunities lies with the Management Board and the operational management level in the respective divisions.

The management of IONOS deals intensively with detailed evaluations, models and scenarios on current and future industry and technology trends, products, markets / market potential and competitors in the Group's environment. The potential opportunities identified in these strategic analyses are then analyzed, taking into account the critical success factors and the existing framework conditions and opportunities for IONOS, discussed in planning meetings between the Management Board, Supervisory Board and managers responsible for operations and translated into concrete measures, targets and milestones.

The progress and success of the measures are monitored on an ongoing basis by those responsible for operations as well as by the Management Boards and managing directors of the companies.

Opportunities for IONOS

The stable and largely non-cyclical business model of IONOS ensures plannable revenues and cash flows, creating financial leeway to take advantage of opportunities in new business areas and new markets—organically or through selective acquisitions and investments. IONOS sees growth potential in the Digital Solutions & Cloud segment in particular, given the following opportunities.

Use of artificial intelligence (AI)

The IT industry offers enormous potential for the use of artificial intelligence (AI). At IONOS, for example, AI is used to optimize business processes and increase efficiency. By automating routine tasks in areas such as software development, customer service, and marketing, as well as analyzing complex data sets, IONOS can make better use of resources and increase productivity. The use of AI enables IONOS to develop innovative solutions and meet customer needs even better.

Companies like IONOS have the opportunity to use AI technologies at the product level to optimize existing offerings and develop innovative solutions. One example of this is the use of an AI-based website generator that allows customers to create their own website in seconds. By entering a few details, such as industry and relevant keywords, the AI technology automatically generates a website proposal that includes design, images, text and search engine optimization. This innovative approach enables customers to quickly and easily create their online presence, while IONOS continues to improve customer service and the user experience. By combining AI technology and customer proximity, IONOS can open up new opportunities for its customers and strengthen its market position.

Broad strategic positioning in growth markets

IONOS is a leading digitalization partner for small and medium-sized enterprises (SMEs) in 18 markets in Europe and North America, with a global reach through its globally accessible platform. The focus on technology solutions for SMEs allows IONOS to capitalize on the opportunities of a large and growing market. By continuously expanding its range of cloud solutions, IONOS is growing its product portfolio and creating new opportunities for growth.

The growth of IONOS is driven by long-term trends, including digitalization, the increasing shift from on-premise to cloud environments, and the growing importance of artificial intelligence. Small and medium-sized companies in particular still have significant potential to improve their internet presence and digital infrastructure, which offers IONOS good opportunities for further growth. Thanks to its strategic positioning and consistent focus on the needs of SMEs, IONOS is well-equipped to benefit from the opportunities offered by digitization and to support its customers on their journey into the digital future.

Participation in market growth

Despite the current uncertainties in the global economy, IONOS expects positive development in the key markets in which the company operates. As one of the leading providers in these markets, IONOS is in a strong position to benefit from the expected growth. IONOS has a solid foundation with its comprehensive range of competitive cloud applications, strong and specialized brands, high sales potential, and existing business relationships with over 6 million customers. This enables the company to exploit cross-selling and upselling opportunities and to participate in future market growth. This combination of strengths equips IONOS to consolidate its market position and achieve long-term success. The positive international market development and its own strengths enable IONOS to look to the future with optimism and to exploit further growth opportunities.

Expansion of market positions

IONOS has established a strong market position as a provider of web hosting services in Europe and North America. The combination of technological expertise, high product and service quality, long-standing business relationships with millions of customers, and high customer loyalty gives IONOS a solid foundation from which to further expand its market share. In particular, investments in the IONOS brand have helped to strengthen the market position and lay the foundation for further growth. By consistently focusing on the needs of its customers and continuously developing its services, IONOS is well-equipped to maintain its leading position in the web hosting industry and to exploit further growth opportunities. The strength of the IONOS brand and the loyal customer relationships form an important basis for the company's future success story.

Expansion of business areas

A key part of IONOS' core competencies is identifying customer needs, trends and new markets at an early stage and responding accordingly. The comprehensive value chain ranges from product management and development to data center operations, effective marketing and sales, and active customer care. This often enables IONOS to bring innovative solutions to market faster than other companies and successfully market them.

The strong cash generation in its established businesses gives IONOS the financial freedom to invest in new areas and take advantage of additional opportunities. In recent years, the company has continuously invested in new products and solutions to secure future growth. This strategy will enable IONOS to strengthen its market position, enter new markets and support its customers with innovative solutions. The combination of early trend recognition, a comprehensive value chain and financial flexibility will enable IONOS to succeed in the long term and adapt to the changing needs of its customers.

Broad value creation in the area of digitalization

IONOS offers a comprehensive range of solutions and products in the area of web presence and productivity, as well as cloud solutions that cover the entire value chain. By developing solutions in its own “Internet Factories” or in collaboration with partner companies, IONOS can ensure the quality of its offerings and respond quickly to the needs of its customers or changing market situations. The server-based solutions in its own data centers enable IONOS to respond flexibly and quickly to the demands of digitization, thus acquiring new customers and retaining existing ones over the long term.

The combination of in-house development, partner collaborations and its own data centers enables IONOS to ensure a high level of quality and flexibility in its offerings. By directly controlling the entire process from development to operation, IONOS can quickly respond to market changes and offer innovative solutions that meet the needs of its customers. This strategy enables IONOS to strengthen its market position and achieve long-term success.

Internationalization

IONOS offers a wide range of web presence and productivity products, as well as cloud solutions that can be used worldwide and work according to the same rules, regardless of location. Whether in Frankfurt am Main, London, Paris or New York, IONOS solutions can be used anywhere and offer a high degree of flexibility.

In the past, IONOS has successfully developed products such as MyWebsite and customized them to the specific needs of individual countries. The good exportability of these products enabled IONOS to gradually roll out its solutions to other countries. Today, IONOS is already active in numerous European countries such as Germany, France, the United Kingdom, Italy, Spain, the Netherlands, Austria, Switzerland, Poland, Hungary, Romania, Bulgaria, the Czech Republic, Slovakia and Sweden, as well as in North America in countries such as Canada, Mexico and the United States.

IONOS' strategy of developing products and solutions that are easily exportable has proven successful and enables the company to expand further. In the future, IONOS will continue to expand its global presence by rolling out products in additional countries and product rollouts to support its customers worldwide with innovative solutions. By combining globally deployable products with local adaptations, IONOS can meet customer needs even better and further strengthen its market position.

Digital sovereignty

In the context of rapid technological developments and increasing digitalization, the topic of digital sovereignty is becoming more and more important at both the national and European level. This development offers significant opportunities for IONOS to decisively strengthen its position as one of the leading European providers of cloud and hosting services.

The growing demand for data protection-compliant and secure IT solutions is a central aspect of the digital strategies of many companies and public institutions. In a world increasingly characterized by geopolitical uncertainty, the importance of digital sovereignty is growing in order to maintain control over one's own data and IT infrastructures. As a European company, IONOS is subject to the strict data protection standards of the EU and can thus sustainably strengthen customer confidence in compliance and data security.

Digital sovereignty offers IONOS the opportunity to expand its offering in a targeted manner and to provide customized solutions that meet specific requirements for independence and security. By developing and providing cloud services based on open standards, IONOS can help promote interoperable and vendor-independent IT ecosystems. This not only strengthens IONOS' market position, but also the competitiveness of its customers.

In addition, the focus on digital sovereignty enables IONOS to enter into strategic partnerships with governments and other institutions across Europe. These collaborations could promote the development of common standards and infrastructure to strengthen digital independence, which in turn can lead to new business opportunities and expanded market access.

Overall, IONOS is positioning itself as a trusted partner in an increasingly critical area of digital transformation through its commitment to digital sovereignty. This development not only supports the sustainable growth of the company, but should also help to ensure a secure and sovereign digital future for companies and institutions in Europe.

Overall statement by the Management Board on the opportunity situation

In view of the dynamic market development in the areas of web presence & productivity and cloud solutions, the group's growth opportunities are obvious: increasingly powerful internet connections that are available everywhere and at all times enable new, more elaborate cloud applications. From today's perspective, these internet-based applications for private individuals, freelancers and small and medium-sized companies are the growth drivers for IONOS in the coming years.

In Europe and Germany in particular, there is an opportunity to strengthen digital sovereignty and become less dependent on international providers. By promoting European cloud providers such as IONOS, dependence on foreign service providers can be reduced and the security of data and applications increased. IONOS is driving its own initiatives, such as the “Secure European Cloud API” initiative, to strengthen a European cloud infrastructure together with other European cloud companies and promote digital sovereignty. By developing secure and reliable cloud applications, IONOS can help to strengthen the digital infrastructure in Europe and Germany and increase the competitiveness of companies and organizations.

The business model, which is based primarily on subscriptions with fixed monthly payments and contractually fixed terms, ensures stable and predictable revenues and cash flows, offers the greatest possible protection against economic influences, and provides the financial flexibility to take advantage of opportunities in new business areas and new markets, whether organically or through acquisitions and investments. Thanks to its combination of stable revenues, innovative products and strong market position, IONOS is well-equipped to meet the challenges and opportunities of the digital transformation in Europe and Germany and to promote digital sovereignty.

3.3 Forecast report

Expectations for the economy

In its World Economic Outlook of January 17, 2025, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2025 and 2026.

The IMF's outlook for the global economy as a whole is better than it was. The Fund expects the global economy to grow by 3.3% in 2025, which is 0.1 percentage points more than in its fall forecast. And 3.3% is also expected for 2026.

The risks to the forecast cited by the IMF include geopolitical conflicts such as those in Ukraine and the Middle East, as well as the political uncertainty caused by Donald Trump's return to the US presidency. The IMF has not yet incorporated Mr. Trump's policy proposals into its forecasts.

In particular, the outlook for the US improved significantly by 0.5 percentage points to 2.7% for 2025. By contrast, the IMF experts paint a very different picture for Germany, which is the most important target country for IONOS. After two years of recession in 2023 and 2024, the German economy is expected to grow by only 0.3% in 2025. This represents a downward revision of 0.5 percentage points from the previous IMF estimate (fall forecast). The IMF thus expects Germany to again see the weakest growth among the leading western G7 industrialized nations in the current year. The reasons given are the weakness of industry and high energy prices, which are slowing the economic recovery.

This means that Germany will also lag behind in Europe in 2025. Spain (2.3%) in particular will grow much faster, but the UK (1.6%), France (0.8%) and Italy (0.7%) will also outpace it.

Market forecast: Development of key gross domestic products from the perspective of IONOS Group SE

	2024	**2025e**	**2026e**
World	3.2%	3.3%	3.3%
USA	2.8%	2.7%	2.1%
Canada	1.3%	2.0%	2.0%
Mexico	1.8%	1.4%	2.0%
France	1.1%	0.8%	1.1%
Spain	3.1%	2.3%	1.8%
Italy	0.6%	0.7%	0.9%
Poland	2.8%	3.5%	3.3%
UK	0.9%	1.6%	1.5%
Germany	–0.2%	0.3%	1.1%

Source: International Monetary Fund, World Economic Outlook (update), January 2025

Market / sector expectations

Despite the challenges posed by the difficult economic conditions, the digital economy in Germany is expected to remain on a growth trajectory. The digital association Bitkom expects the German IT and telecommunications market to grow by 4.6% to €232.8 billion in 2025. Last year, ICT revenues increased by 3.3% to €222.6 billion.

Information technology remains the most important growth driver. According to the current Bitkom forecast, this market is expected to grow by 5.9% to €158.5 billion in 2025.

In particular, the software business is expected to grow strongly, by 9.8% to €51.1 billion. The continuing boom in artificial intelligence (AI) is particularly noteworthy here: business with AI platforms, on which AI applications can be developed, trained and operated, is expected to grow rapidly by 43% to €2.3 billion.
Collaboration tools for cooperation and mobile working in companies are also expected to grow strongly by 12% to €1.4 billion.
Double-digit growth rates are also expected for cloud services, which are expected to grow by 17% to €20.0 billion.
The market for IT hardware is expected to grow in almost all segments. Growth of 3.3% to €53.7 billion is expected by 2025.
The biggest growth driver is expected to be the Infrastructure-as-Service segment, with an increase of 24.4% to €6.2 billion, i.e. rented servers, network and storage capacities.
Security software is also expected to grow by 11% to €5.1 billion.
According to Bitkom, revenues from IT services as a whole will increase by 5.0% to €53.8 billion in 2025.

The global cloud computing market is of particular importance to IONOS. According to Gartner's calculations, the public cloud services segment is expected to grow by 21.5% (previous year: 19.2%) to USD 723.4 billion in 2025. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 24.8%, cloud application infrastructure services (PaaS) at 21.6% and cloud application services (SaaS) at 19.2%.

Market forecast: Cloud computing worldwide

in USD billion	2024	2025e	Change
Revenue from public cloud services worldwide	595.652	723.421	21.5%
thereof Cloud Application Infrastructure Services (PaaS)	171.565	208.644	21.6%
thereof Cloud Application Services (SaaS)	250.804	299.071	19.2%
thereof Cloud Desktop-as-a-Service (DaaS)	3.466	3.849	11.1%
thereof Cloud System Infrastructure Services (IaaS)	169.818	211.856	24.8%

Source: Gartner, Worldwide Public Cloud End-user spending, 2024-2025, November 2024

Company expectations

Forecast for the 2025 fiscal years

For the fiscal year 2025, the company expects overall revenue growth in the high single digits and approximately 12.8% growth in adjusted EBITDA to approximately €510m (2024: €452.2m) and a further increase in the adjusted EBITDA margin to over 30% (2024: 29.0%).

Currency-adjusted revenues in the core business (Digital Solutions & Cloud segment) are expected to grow by around 8% (2024: €1,248.1m), with an adjusted EBITDA margin of around 35% (2024: 32.9%).

In the AdTech segment, revenues in 2025 are expected to be at the previous year's level (2024: €312.2m). This is due to the effects of a product change in domain parking that began in 2024 and will continue into 2025. In the medium term, the product change will have a positive impact on the segment's sustainable revenue and earnings development.

Due to the pure holding function of IONOS Group SE, neither the generation of revenues nor profits is a corporate objective at the level of the individual financial statements. Insofar as the company incurs costs or income in the course of its ordinary business activities, these are generally passed on to the subsidiary as part of internal cost allocation.

For the 2025 fiscal year, IONOS Group SE expects a slightly negative EBITDA at the level of the individual financial statement. This is due to the fact that a large proportion of the costs incurred by the IONOS Group SE are passed on through internal cost allocation, but a few shareholders incur costs, such as holding the Annual General Meeting, that remain within the company. Since the company does not generate any significant revenues, except for internal cost allocation, this is expected to lead to slightly negative earnings contributions.

Overall statement by the Management Board

Based on the largely positive overall economic development in IONOS' core markets, which is also expected by the International Monetary Fund (IMF), the ongoing digitalization of small and medium-sized companies, and the forecast growth in the cloud business, the Management Board of IONOS Group SE remains optimistic about the future, also due to the stable and predominantly subscription-based business model.

The group's development has shown that the IONOS business model is relatively independent of economic conditions. Even in times of economic uncertainty or global challenges, the company has been able to expand its customer base. The company has been able to accelerate customer growth by continuously expanding marketing activities in its core markets. Targeted measures are used to adapt to changing market conditions, such as the increase in certain cost types due to a shortage of supply and rising inflation rates. These measures are designed to ensure the company's profitability in the medium term. The fact that SMEs need a web presence in the 21st century and that IONOS is the market leader in a scalable business model supports this assessment.

The IONOS Group SE will continue this business policy of recent years in the years to come. In fiscal year 2025, the company plans to further develop its current target markets in the areas of web presence & productivity and cloud solutions. In addition to developments in the area of web presence & productivity, the focus is particularly on the further expansion of our cloud product portfolio for medium-sized companies, as well as in the public sector, and on new products in the area of artificial intelligence. This, in conjunction with the further expansion of existing customer relationships and targeted upselling and cross-selling with product offers tailored to the customer profile, as well as the continuous improvement of our understanding of our customers, will ensure a sustainable and broad foundation for growth in future fiscal years.

In addition, a broad foundation for the planned increase in revenue and earnings has been created through investments in customer relationships made in recent years – in particular through broad-based TV campaigns in the European core markets, supplemented by localized marketing measures in the Group's other sales markets – the further expansion of new business areas, and the launch of new products in the context of both organic and inorganic growth.

After a positive start to the year, at the time this combined management and group management report was prepared, the Management Board of IONOS Group SE is still very optimistic about achieving the targets set out in the planning. Overall, the Management Board believes that the company is very well positioned for further corporate development and is optimistic about the future.

Forward-looking statements and forecasts

This group management report contains forward-looking statements that are based on current expectations, presumptions, and forecasts of the Management Board of IONOS Group SE and the information available to it. These forward-looking statements are not guarantees of the future developments and results set out therein. Rather, future developments and results depend on a number of factors. They involve various risks and uncertainties and are based on assumptions that may not prove accurate in the future. IONOS Group SE assumes no obligation to update or adjust any forward-looking statements contained in this report.

4. Internal control and risk management system

The German Corporate Governance Code (GCGC) requires disclosures on the internal control and risk management system. These go beyond the legal requirements for the management report and are excluded from the auditor's audit of the content of the management report ("non-financial statement disclosures"). They are thematically assigned to the key elements of the internal control and risk management system in section 4. "Internal control and risk management system" and are distinguished from the information to be audited by separate paragraphs and marked as "unaudited".

Internal control system (unaudited)

The internal control system (ICS) of IONOS covers the entire organization and serves to maintain the functionality and efficiency of business processes, the reliability of operational information, the safeguarding of assets, and compliance. In this context, the controls carried out include compliance with target processes, the "four-eyes principle" and the separation of functions. The controls are defined for each process on the basis of standardized categorizations and are partially executed centrally via United Internet AG and directly in the entire Group. Defined processes, which involve departmental managers and process experts, ensure that process and organizational risks are counteracted preventively. All units of the Group assess the existence of organizational and process risks and estimate whether these might have an impact on the ICS together and in cooperation with risk management. The ICS is regularly improved, with the help of experts as needed. Monitoring is carried out by the Corporate Audit department and external auditors, among others. The Corporate Audit department assesses and improves the governance processes and risk management, and also assesses the appropriateness and effectiveness of the ICS by means of regular sample audits.

Accounting-related internal control and risk management system

In accordance to Section 289, paragraph 4 and Section 315, paragraph 4 of the German Commercial Code (HGB), IONOS Group SE is required to describe the main features of its accounting-related internal control and risk management system in the management report.

IONOS views risk management as part of the internal control system (ICS). The ICS is understood as an ongoing process that encompasses organizational, control and monitoring structures to ensure compliance with legal and corporate requirements at all times.

The Management Board of IONOS Group SE is responsible for the scope and design of the ICS, taking into account company-specific requirements. Monitoring the effectiveness of the ICS is one of the tasks of the Supervisory Board of IONOS Group SE, which regularly receives reports from the Management Board on the status of the ICS and the results of the internal audit system of United Internet AG. Internal Audit independently reviews the appropriateness, effectiveness and functionality of the ICS in the IONOS Group and has comprehensive rights of information, inspection and access to carry out its duties. Its audit procedures are based on a risk-oriented audit plan that also regularly provides for audits at IONOS and its subsidiaries. In addition, the auditor audits the effectiveness of the parts of the ICS relevant for financial reporting as part of its risk-oriented audit approach.

The accounting-related ICS, which is continuously refined, encompasses principles, procedures and measures to ensure the effectiveness, efficiency and propriety of the accounting system and compliance with the relevant laws and standards. In preparing the consolidated financial statements, the ICS serves in particular to ensure application of the International Financial Reporting Standards (IFRS), as applicable in the European Union, and application of the supplementary provisions under commercial law as applicable under Section 315e of the German Commercial Code (HGB). The ICS also helps to ensure compliance with the provisions of commercial law when preparing the annual financial statements and the management report.

Regardless of its design, it is important to remember that no internal control system can offer absolute certainty that material accounting errors will be avoided or uncovered. This could be due to erroneous discretionary decisions, inadequate controls or criminal acts.

The following statements relate only to the fully consolidated subsidiaries included in the consolidated financial statements of IONOS Group SE, in which IONOS Group SE has the direct or indirect ability to determine their financial and monetary policy in order to benefit from the activities of these companies.

The risk management function at IONOS Group SE is responsible, among other things, for defining measures to identify and assess risks, mitigate them to an acceptable level, and monitor the identified risks. Risk management requires organized action to deal appropriately with uncertainty and threats, and encourages employees to use policies and tools to ensure compliance with risk management principles. In addition to operational risk management, it also includes the systematic early detection, management and monitoring of risks. Accounting-related risk management focuses on the risk of misstatements in the accounting records and external reporting.

Specific accounting-related risks may arise, for example, from the conclusion of unusual or complex transactions. Furthermore, business transactions that are not processed by routine are subject to latent risk. A limited group of people are necessarily granted discretionary powers with regard to the recognition and valuation of assets and liabilities, which may result in further accounting-related risks.

The accounting-related ICS comprises internal controls, defined on the basis of risk aspects, for the processes relevant to accounting and for the processes that support the IT systems. IT security, change management and operational IT processes are of particular importance here. Organizational, preventive and detective controls are applied, which can be both IT-based and manual. For the IONOS Group, the high qualifications of its employees, their regular training, the “four-eyes principle” and the functional separation of administrative, executive and approval processes are essential for the effectiveness and efficiency of the accounting-related ICS. The accounting processes are controlled by the group accounting department and other responsible accounting departments. Laws, accounting standards and other pronouncements are continuously analyzed with regard to their relevance and impact on accounting. The relevant requirements are set out in the Group's accounting guidelines, communicated, and form the basis for the process of preparing the financial statements. In addition, supplementary procedural instructions, such as the intercompany guideline, standardized reporting formats, IT systems and IT-supported reporting and consolidation processes, support the process of uniform and proper Group accounting. The Group Accounting department ensures that these requirements are uniformly complied with throughout the Group. The Group companies are responsible for ensuring that their accounting-related processes and systems are carried out properly and in a timely manner and are supported in this by the accounting departments.

If significant control weaknesses or potential improvements are identified, they are evaluated and countermeasures are developed with the responsible individuals in order to further improve the effectiveness of the ICS. Implementation of the measures is monitored by the Corporate Audit department and may be the subject of follow-up audits. Corporate Audit is closely involved at all levels to ensure the high quality of the accounting-related ICS.

Effectiveness statement (unaudited)

As a result of the regular review of the internal control and risk management system, the Management Board is not aware of any circumstances up to the date of preparation of the combined management report that would speak against or call into question the appropriateness and effectiveness of these systems.

5. Disclosures required by takeover law

The following disclosures, in accordance with Sections 289 a, 315 a HGB reflect the situation on the balance sheet date. As provided for in Section 176 (1) sentence 1 AktG, the disclosures are explained in the individual sections.

Please also refer to the information in the notes to the consolidated financial statements under notes 17 and 38-40.

Composition of capital

The subscribed capital of IONOS Group SE amounted to €140,000,000 as of December 31, 2023, and is divided into 140,000,000 no-par value registered ordinary shares. Each share grants one vote; there are no other classes of shares. In the event of an increase in the share capital, the start of profit entitlement for the new shares can be determined differently from the date on which the contributions are made. All ordinary shares are listed on the stock exchange.

Limitations affecting voting rights or the transfer of shares

Legal restrictions regarding voting rights exist with regard to Treasury shares in accordance with Section 71b AktG and in accordance with Section 71d sentence 4 in conjunction with Section 71b AktG. On May 8, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board and based on the authorization of the Extraordinary General Meeting on January 26, 2023, to acquire treasury shares, initially decided to acquire up to 850,000 Treasury shares via the stock exchange. This corresponds to approximately 0.6% of the share capital of €140,000k. The buyback program should be carried out from mid-May 2024 and no later than February 28, 2025.

IONOS Group SE acquired a total of 850,000 of its treasury shares in the period from May 17 to July 25, 2025, thus completing the share buyback program.

As of the balance-sheet date, IONOS Group SE holds 463,565 Treasury shares, which corresponds to 0.3% of the current issued capital of 140 million shares.

Statutory restrictions on voting rights continue to apply to the shares held by the Management Board and the Supervisory Board with regard to the conflict of interests in accordance with Section 136 (1) AktG.

Of the current members of the Management Board, Mr. Achim Weiß directly held 219,489 shares of IONOS Group (0.16% of the issued capital) as of December 31, 2024. In addition, Ms. Britta Schmidt held 3,500 shares (0.00% of the issued capital), and Dr. Jens-Christian Reich did not hold any shares (0.00% of the issued capital) as of December 31, 2024.

Among the current members of the Supervisory Board, Mr. Ralph Dommermuth did not directly hold any shares in the IONOS Group as of December 31, 2024 (0.00% of the issued capital). In addition, Dr. Claudia Borgas-Herold held 250 shares (0.00% of the issued capital) as of December 31, 2024. Mr. Kurt Dobitsch held 3,000 shares (0.00% of the issued capital) as of December 31, 2024. Mr. Rene Obermann held no shares (0.00% of the issued capital) as of December 31, 2024. Ms. Vanessa Stuetzle held no shares (0.00% of the issued capital) as of December 31, 2024.

There are no restrictions relating to the transfer of shares.

Direct and indirect participations in capital with over 10% of voting rights

As of December 31, 2024, shareholdings exceeding 10% of the voting rights are held by United Internet AG (according to the voting rights notification dated February 9, 2023: 89,369,097 shares or 63.8% of the share capital). According to the information available to the Management Board, there are no further capital holdings exceeding 10% of the voting rights.

Special rights

As far as the Management Board is aware, there are no shares with special rights.

Appointment and dismissal of Management Board members, amendments to Company articles

The appointment and dismissal of members of the Management Board is governed by Sections 84 and 85 AktG in conjunction with Section 1 of the rules of procedure for the Supervisory Board. In accordance with Section 6 (1) of the Articles of Association, the Management Board consists of at least one person. The Supervisory Board appoints and dismisses the members of the Management Board, determines their number and may appoint a member of the Management Board as Chairman.

Any amendment to the Articles of Association requires a resolution by the Annual General Meeting with a majority of at least three quarters of the share capital represented at the vote. The Supervisory Board is authorized to make amendments to the Articles of Association that only affect the wording in accordance with Section 22 of the Articles of Association in conjunction with Section 179 para. 1 sentence 2 AktG (amendments to the issued capital and number of shares).

Powers of the Management Board to issue new shares

The Management Board has the option of issuing new shares under the following circumstances:

Authorized capital 2023

The Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by a total of up to €56,000,000 by issuing new no-par value shares against cash and/or non-cash contributions to one or more occasions until August 31, 2026 (Authorized Capital 2023).

In the case of cash contributions, the new shares may also be acquired by the Management Board, with the approval of the Supervisory Board, from one or more banks or another company that meets the requirements of Art. 5 SE Regulation in conjunction with Section 186 para. 5 sentence 1 AktG with the obligation to offer them exclusively to the shareholders for subscription (indirect subscription right). In principle, shareholders must be granted subscription rights. However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights.

- (a) to exclude fractional amounts from the subscription right;
- (b) if the capital increase is made against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares already listed at the time of the final determination of the issue price, which should take place as close as possible to the placement of the shares. The total number of shares issued with the exclusion of subscription rights in accordance with Art. 5 SE Regulation in conjunction with Section 186 para. 3 sentence 4 AktG may not exceed 10% of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised.

This figure shall include shares issued or to be issued on the basis of bonds with warrants or convertible bonds, provided that the bonds are issued during the term of this authorization in analogous application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights; this figure shall also include shares issued or sold during the term of this authorization in direct or analogous application of Section 186 para. 3 sentence 4 AktG;

- (c) ; to the extent necessary to grant holders or creditors of option and/or conversion rights or corresponding option and/or conversion obligations from bonds issued or to be issued by the company and/or by companies dependent on the company or directly or indirectly majority-owned by the company a subscription right to the extent to which they would be entitled after exercising their option and/or conversion right or after fulfillment of the option and/or conversion obligation;
- (d) if the capital increase is made against contributions in kind to grant shares in the context of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets, including receivables from the company;
- (e) if the capital increase is made against cash and/or non-cash contributions in order to issue shares in fulfillment of entitlements from virtual share participation programs to current and former members of the Management Board and employees of the company as well as to current and former members of the Management Board or management and employees of companies affiliated with the company within the meaning of Sections 15 et seq. AktG. If shares are to be granted to members of the company's Management Board, the Supervisory Board of the company decides on this.

The authorizations to exclude subscription rights under lit. a) to lit. e) are limited in total to an amount of up to 20% of the share capital existing at the time the Authorized Capital 2023 becomes effective or – if this is lower - at the time of the resolution on the utilization of the Authorized Capital 2023. This maximum limit of 20% of the share capital shall include the proportionate amount of the share capital attributable to shares issued during the term of this authorization in direct or analogous application of Art. 5 SE Regulation in conjunction with Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights, as well as the proportionate amount of the share capital attributable to Treasury shares sold during the term of this authorization in a manner other than via the stock exchange or by means of an offer to all shareholders.

The Management Board is also authorized, with the approval of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the respective use of the Authorized Capital 2023 or after the expiry of the authorization period.

Conditional capital

The share capital is conditionally increased by up to €20,000,000 divided into up to 20,000,000 no-par value registered shares (Conditional Capital 2023). The conditional capital increase will only be carried out to the extent that the holders or creditors of option or conversion rights or those obliged to convert from bonds with warrants or convertible bonds issued by the company or a subordinated group company of the company on the basis of the authorization of the Management Board by resolution of the Annual Geeral Meeting on May 15, 2023, until August 31, 2026, are entitled to subscribe. The new shares are to be issued at the price at which the company exercises its option or conversion rights or, insofar as they are obliged to convert, fulfills its obligation to convert, or, insofar as the company exercises an option, to grant shares in the company in whole or in part instead of payment of the cash amount due, unless cash compensation is granted or treasury shares or shares in another listed company are used for servicing. The new shares will be issued at the option or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent permitted by law, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares in deviation from this and also in deviation from Section 60 para. 2 AktG, including for a fiscal year that has already expired.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Powers of the Management Board to buy and use treasury shares

The Management Board was authorized by resolution of the Annual General Meeting of January 26, 2023, to acquire Treasury shares in accordance with Art. 5 SE-VO in conjunction with Section 71 (1) no. 8 AktG with the option of excluding shareholders' statutory subscription rights, and to redeem acquired Treasury shares and reduce the capital. This authorization is valid until August 31, 2026.

The authorization is limited to a total of 10% of the issued capital at the time of the resolution or, if this value is lower, of the issued capital of the company at the time the authorization is exercised.

The acquisition of treasury shares may be carried out via the stock exchange or by means of a public purchase offer addressed to all shareholders or by means of a public invitation to all shareholders to submit offers for sale or by issuing rights to shareholders to offer shares.

- If the shares are purchased on the stock exchange or by means of a public purchase offer, the company may only pay a price per share (excluding ancillary purchase costs) that does not exceed or fall below the arithmetic mean of the prices of the company's no-par-value shares in the closing auction in Xetra trading (or a corresponding successor system) on the Frankfurt Stock Exchange during the last three trading days prior to the conclusion of the obligation transaction, if the purchase is made via the stock exchange, or prior to the publication of the decision to make a public purchase offer if the purchase is made by way of a public purchase offer, by more than 10%. The company's Management Board shall determine the further details of the purchase via the stock exchange and the further details of the offer. If, after publication of a public purchase offer, the share price deviates significantly from the purchase price offered or the limits of the purchase price range offered, the offer may be adjusted. In this case, the relevant amount shall be determined by the corresponding price during the last three trading days prior to publication of the adjustment; the 10% limit for exceeding or falling below shall be applied to this amount.

  The volume of the public purchase offer can be limited. If, in the case of a public purchase offer, the volume of the offered shares exceeds the available repurchase volume, the purchase can be carried out according to the ratio of the offered shares (proportion offered) instead of according to the ratio of the offering shareholders' participation in the company (participation rate), under partial exclusion of a possible right to tender. Furthermore, the terms of the offer may provide for preferred acceptance of smaller lots of up to 100 shares per shareholder (partial exclusion of rights) and commercial rounding to avoid fractional shares.

- If the shares are purchased by means of a public invitation to all shareholders to submit offers to sell, the company shall determine a purchase price range per share within which offers to sell can be submitted. The Management Board will determine the further details of the public invitation to all shareholders to submit offers to sell. The purchase price range may be adjusted if, during the offer period, there are significant price deviations from the price at the time of publication of the invitation to submit offers to sell. The purchase price per share to be paid by the company, determined by the company on the basis of the offers to sell received, may not exceed or fall short of the arithmetic mean of the prices of the company's no-par-value shares in the closing auction in Xetra (or a corresponding successor system) on the Frankfurt Stock Exchange during the last three trading days before the cut-off date described below, excluding ancillary acquisition costs, by more than 10%. The cut-off date is the date on which the company's Management Board formally decides on the publication of the invitation to submit offers to sell or to adjust it.

  The volume of the acceptance can be limited. If, due to the volume limit, not all of several similar offers to sell can be accepted, the acquisition can be carried out in proportion to the offer quotas rather than in proportion to the ownership interests, partially excluding any right to offer shares. Furthermore, subject to the partial exclusion of any right to tender, preferential acceptance of smaller numbers of up to 100 shares per shareholder and, in order to avoid fractional shares, rounding in accordance with commercial principles.

- If the acquisition is made by means of the tender rights made available to the shareholders, these can be allocated per company share. In accordance with the ratio of the company's issued capital to the volume of shares to be repurchased by the company, a corresponding number of tender rights entitles the holder to sell one share in the company to the company. Tender rights can also be allocated in such a way that one tender right is allocated for each number of shares, resulting from the ratio of the issued capital to the repurchase volume. Fractions of tender rights will not be allocated; in this case, the corresponding partial tender rights will be excluded. The price or the limits of the offered purchase price range (in each case excluding incidental acquisition costs), at which a share can be sold to the company when exercising the tender right, will be determined in accordance with the provisions for the public invitation to submit a purchase offer, whereby the relevant date shall be the date of publication of the buyback offer granting tender rights, and adjusted if necessary, whereby the relevant date shall be the date of publication of the adjustment. The further details of the tender rights, in particular their content, term and, if applicable, their tradability, shall be determined by the company's Management Board with the approval of the Supervisory Board.

The Management Board, with the consent of the Supervisory Board, is authorized, when selling treasury shares through an offer to all shareholders, to grant the holders of bonds with warrants and/or convertible bonds issued by the Company or any of its subordinated group companies a right to subscribe for shares to the extent to which they would be entitled after exercising their option or conversion rights or after fulfillment of the conversion obligation. The shareholders' subscription rights are excluded in this case.

The Management Board, with the consent of the Supervisory Board, is further authorized to sell treasury shares in a way other than through the stock exchange or through an offer to all shareholders, provided that the shares are sold for cash at a price that is not significantly lower than the stock exchange price of the company's shares at the time of the sale. The shareholders' subscription rights are excluded. However, this authorization shall apply only under the proviso that the shares sold under exclusion of the subscription right in accordance with Article 5 SE Regulation in conjunction with Section 186 (3) sentence 4 AktG may not in the aggregate exceed 10% of the issued capital, either at the time of coming into force or – if this value is lower – at the time of exercising of this authorization. This limit of 10% of the issued capital includes those shares that are issued during the term of this authorization up to the sale of treasury shares from authorized capital subject to the exclusion of subscription rights in accordance with Article 5 SE-VO in conjunction with Section 186 (3) sentence 4 AktG, excluding subscription rights in accordance with Article 5 SE-VO in conjunction with Section 186 (3) sentence 4 AktG. Furthermore, this limit of 10% of the issued share capital shall also include those shares that are issued or to be issued to service option and/or conversion rights and/or conversion obligations, provided that the bonds were issued during the term of this authorization in corresponding application of Article 5 SE-VO in conjunction with Section 186 (3) sentence 4 AktG, excluding subscription rights.

The Management Board, with the consent of the Supervisory Board, is also authorized to use Treasury shares for the following purposes, in addition to selling them on the stock exchange or in another manner that ensures equal treatment of all shareholders:

- As (partial) consideration in the context of acquiring companies or equity interests in companies or parts of companies or in the context of business combinations.

- For the listing of the company's shares on foreign stock exchanges where they are not yet admitted for trading. The price at which these shares are listed on foreign stock exchanges may not fall short by more than 5% of the arithmetic mean of the prices of the company's no-par shares in the closing auction in Xetra (or a corresponding successor system) at the Frankfurt Stock Exchange during the last three trading days before the date of introduction on the foreign stock exchange, excluding ancillary costs.

- To grant shares in the company to current and former members of the Management Board and employees of the company as well as to current and former members of the Management Boards or management and employees of affiliated companies as defined by Section 15 ff. of the German Stock Corporation Act (AktG) in fulfillment of claims arising from virtual share participation programs. Insofar as shares are to be granted to members of the company's Management Board, the company's Supervisory Board shall decide on this.

The shareholders' statutory subscription rights to these treasury shares are excluded in accordance with Article 5 SE Regulation in conjunction with §§ 71 (1) no. 8, 186 (3), (4) AktG to the extent that these shares are used in accordance with the above authorizations. In addition, subject to the consent of the Supervisory Board, the Management Board may, in the event of a sale of treasury shares by way of an offer to all shareholders, exclude shareholders' subscription rights for fractional amounts.

The authorizations to exclude subscription rights are limited to a total amount of up to 10% of the issued capital at the time this authorization becomes effective or – if this value is lower – at the time of the resolution regarding the disposal of Treasury shares. The pro rata amount of the issued capital, which is attributable to shares issued during the term of this authorization in direct or analogous application of Article 5 SE Regulation in conjunction with Section 186 (3), sentence 4 AktG, excluding the subscription right, shall be credited to this maximum limit of 10% of the issued capital.

Furthermore, the Management Board is authorized, with the consent of the Supervisory Board, to redeem the Company's treasury shares without such redemption and its implementation requiring a further resolution of the Annual General Meeting. The retirement can also be carried out without a capital reduction in accordance with Article 5 SE-VO in conjunction with Section 237 (3) no. 3 AktG in such a way that the proportion of the other no-par-value shares in the company's issued capital increases as a result of the retirement in accordance with Article 5 SE-VO in conjunction with Section 8 (3) AktG. Pursuant to Article 5 SE Regulation in conjunction with Section 237 (3) Nos. 3, 2nd half-sentence AktG, the Management Board is authorized to adjust the number of shares stated in the Articles of Incorporation accordingly. The retirement may also be combined with a capital reduction; in this case, the Management Board is authorized to reduce the issued capital by the amount of the issued capital attributable to the retired shares. The Supervisory Board is authorized to adjust the number of shares and the issued capital in the Articles of Association accordingly.

The above authorizations may be exercised once or several times, in whole or in part, and individually or jointly. They also include the use of shares in the company that were repurchased on the basis of earlier authorizations to repurchase Treasury shares and those that were acquired on the basis of Article 5 of the SE Regulation in conjunction with Section 71d sentence 5 AktG or by a company dependent upon the Company or in which the Company holds a majority interest or by third parties for the account of the Company or by third parties for the account of a company dependent upon the Company or in which the Company holds a majority interest. In accordance with the Articles of Association, the Supervisory Board is authorized to amend the Articles of Association as appropriate.

Material agreements conditional to a change of control following a takeover bid

A consortium of banks has granted IONOS a loan of €800,000k until December 2026.

The members of the syndicate have been granted the right to terminate their share of the syndicated loan facility or the syndicated loan if a third party or a group of third parties acting in concert obtains control of IONOS. The right to terminate is available to each member of the banking syndicate individually within 30 days of the announcement of the change of control by the company. However, this right of termination does not apply if control is obtained by Mr. Ralph Dommermuth, his wife and/or his descendants or United Internet AG.

Compensation agreements in the event of a change of control following a takeover bid

In the event of a change of control, the service contract with Mr. Weiß contains a change-of-control clause. This provides for an extraordinary right of termination in the event of a change of control. In addition, an agreement was reached for a maximum remuneration of €82 million in the special situation of a change of control in the first year, as a result of which Mr. Weiß exercises his special right of termination, and there is a 100% increase in the share price in the period until the termination of the service contract.

Beyond this, no compensation agreements have been concluded with either members of the Management Board or employees of the company in the event of a change of control following a takeover bid.

6. Declaration on company management

Section "6. Declaration on company management" is "unaudited management report disclosures", as the audit of the disclosures in the corporate governance statement by the auditor in accordance with Section 317 (2) sentence 6 HGB is limited to the fact that the disclosures have been made and the corporate governance report also contained in Section 6 is a "non-management report disclosure" in accordance with Section 3.10 of the German Corporate Governance Code, the content of which is not audited.

Principles of corporate governance

The corporate governance of IONOS Group SE as a listed German stock corporation is governed by the relevant statutory provisions and by the recommendations and suggestions of the German Corporate Governance Code (GCGC).

The term corporate governance stands for responsible corporate management and control geared towards sustainable value creation. Efficient cooperation between the Management Board and Supervisory Board, respect for shareholders' interests, and openness and transparency in corporate communications are key aspects of good corporate governance.

The Management Board and Supervisory Board of IONOS Group SE are committed to ensuring the continued existence of the company and sustainable value creation through responsible and long-term corporate governance. Ecological and social goals are given appropriate consideration.

In this declaration on corporate governance, the Management Board and Supervisory Board report on the company's corporate governance (Corporate Governance Report) in addition to the statutory requirements pursuant to Section 289f HGB for the individual company and pursuant to Section 315d HGB for the Group in accordance with Principle 23 GCGC.

Management and corporate structure

In accordance with its legal form, IONOS Group SE has a two-tier management and supervisory structure with its Management Board and Supervisory Board. The third body is the Annual General Meeting. All three bodies are committed to the good of the company.

Management Board

Working procedures of the Management Board

The Management Board is the management body of the group. In the financial year 2024, it consisted of three persons (namely Mr. Achim Weiß, Dr. Jens Reich and Mrs. Britta Schmidt). An initial term of office of three years is considered for first-time appointments. The Supervisory Board assesses on a case-by-case basis which term of office appears appropriate within the legally permissible term of office. In addition, members of the Board of Management are not appointed for a period exceeding five years. The Board of Management conducts the business in accordance with the law and the Articles of Association, the rules of procedure adopted by the Supervisory Board and the respective recommendations of the German Corporate Governance Code, unless deviations are declared in accordance with Section 161 of the German Stock Corporation Act (AktG).

The Management Board is responsible for preparing the interim and annual financial statements and for filling key personnel positions in the company. It also systematically defines the risks and opportunities for the company associated with social and environmental factors and the ecological and social impacts of the company's activities and then assesses them. In addition to long-term economic objectives, ecological and social objectives are also given due consideration in the corporate strategy. Corporate planning encompasses both the corresponding financial and sustainability-related objectives. Further information on sustainability can be found on the company's website at https://www.ionos-group.com/de/investor-relations/veroeffentlichungen/berichte.html.

Decisions of fundamental importance require the consent of the Supervisory Board. The Management Board reports to the Supervisory Board in accordance with the statutory provisions of Section 90 AktG and provides the Chairman of the Supervisory Board with an overview of the current status of the relevant reporting items in accordance with Section 90 AktG, at least once a month orally and in writing at the request of the Chairman of the Supervisory Board. The Supervisory Board Chairman is therefore to be informed without delay by the Chairman/Spokesman of the Management Board or the Chief Financial Officer about important events that are of material significance for the assessment of the situation and development and for the management of the company. Any significant deviation from the company's planning or other forecasts is also to be regarded as an important occasion. The Chairman or Spokesman of the Management Board or the Chief Financial Officer shall also inform the Chairman of the Supervisory Board in advance, if possible, or otherwise immediately thereafter, of each ad hoc announcement made by the Company in accordance with Article 17 MAR.

An age limit of 68 years applies to members of the Management Board. This requirement is currently met without exception.

The Management Board is jointly responsible for managing the company's business in accordance with uniform objectives, plans and guidelines. Notwithstanding the overall responsibility of the Management Board, each member of the Management Board acts independently in the area assigned to him but is required to subordinate the interests related to the area assigned to him to the overall well-being of the company.

The Supervisory Board regulates the allocation of responsibilities within the Management Board in a business allocation plan at the suggestion of the Management Board.

The members of the Management Board shall keep each other informed of important events within their business areas. Matters of major importance that have not been approved in the budget are to be discussed and decided by at least two members of the Management Board, whereby one of the two members of the Management Board must be responsible for finance.

Without prejudice to their departmental responsibilities, all members of the Management Board constantly monitor the data that is crucial to the company's business performance in order to be able to work at all times towards averting impending disadvantages, implementing desirable improvements or expedient changes by calling upon the entire Management Board or in some other appropriate manner.

The full Board of Management decides on all matters that are of particular importance and significance for the company or its subsidiaries and affiliates.

The Supervisory Board decides by a simple majority of votes. In the event of a tie, the vote of the Chairman of the Supervisory Board shall be decisive. The resolutions of the Supervisory Board shall be recorded in the minutes.

The full Supervisory Board meets regularly once a month and otherwise as required.

Each member of the Management Board shall disclose conflicts of interest to the Chairman of the Supervisory Board and to the Chairman or Spokesman of the Management Board without undue delay and, if applicable, shall inform the other members of the Management Board.

The members of the Management Board did not and do not currently hold any supervisory board mandates in another group-external listed company or comparable functions and therefore do not hold any supervisory board chairmanships in such companies.

Composition of the Management Board

The Management Board of IONOS Group SE comprised the following members in the 2024 fiscal year:

Members of the Management Board as of December 31, 2024

- Achim Weiß, Chairman of the Management Board
  (since October 2018)

- Britta Schmidt, Chief Financial Officer
  (since November 2022)

- Dr. Jens Reich, Chief Operations Officer
  (since July 2023)

Supervisory Board

Working procedures of the Supervisory Board

The Supervisory Board elected by the Annual General Meeting in fiscal year 2024 consisted of six members until September 30, 2024. Since Mr. Martin Mildner resigned from office on September 30, 2024, the Supervisory Board has consisted of five members (namely Mr. Ralph Dommermuth (Chairman), Mr. René Obermann, Mrs. Vanessa Stuetzle, Dr. Claudia Borgas-Herold and Mr. Kurt Dobitsch). The term of office for Supervisory Board members is generally 5 years.

The Supervisory Board is in regular contact with the Management Board and monitors and advises the Management Board on the management of the business and the company's risk and opportunity management in accordance with the law, the Articles of Association, the rules of procedure and the respective recommendations of the German Corporate Governance Code, unless a deviation has been declared in accordance with Section 161 of the German Stock Corporation Act (AktG). This also includes, in particular, questions relating to sustainability.

At regular intervals, the Supervisory Board discusses with the Management Board all issues of relevance to the company with respect to strategy and its implementation, planning, business development, risk situation, risk management and compliance. It discusses the quarterly statements and half-yearly reports with the Management Board prior to their publication and approves the annual planning. The annual forecast includes the annual financial plan, consisting of detailed revenue, cost and earnings targets, as well as liquidity planning and annual investment planning. The Supervisory Board reviews the annual and consolidated financial statements and approves the statements if there are no objections to be raised. In doing so, it takes into account the auditor's reports.

The Supervisory Board is also responsible for appointing members of the Management Board, determining their remuneration and regularly reviewing it in accordance with the applicable statutory provisions and the recommendations of the German Corporate Governance Code, unless a deviation is declared in accordance with Section 161 of the German Stock Corporation Act (AktG).

When appointing members of the Management Board, the Supervisory Board aims for the best possible, diverse and complementary composition for the company and ensures long-term succession planning. experience and industry knowledge, as well as professional and personal qualifications, play an important role.

As part of its long-term succession planning, the Supervisory Board, with the involvement of the Management Board, regularly considers highly qualified executives who come into question as potential candidates for Management Board positions.

The Supervisory Board as a whole and the Audit and Risk Committee regularly carry out an efficiency review for self-assessment purposes. In accordance with recommendation D.12 GCGC, the Supervisory Board and the committee assess how effectively they each perform their duties as a body. For this purpose, a self-assessment is carried out using questionnaires every two years or so.

The first self-assessment of the audit and risk committee was carried out and evaluated in the fourth quarter of 2024. The self-assessment was carried out on the basis of a comprehensive catalog of questions, which included in particular the main topics of expectations, time spent, composition of the supervisory board, work with the auditor, dealing with conflicts of interest, remuneration of the management board and the supervisory board, and accounting issues.

The results of the assessment are evaluated anonymously and then discussed in a plenary session. Any need for improvement that comes to light in this process is addressed and implemented during the year. The next self-evaluation of the Supervisory Board will be carried out and evaluated in 2025. The members of the Supervisory Board take responsibility for the training and continuing professional development measures required for their tasks and are supported appropriately by the company in doing so. The report of the Supervisory Board provides information on the measures implemented.

The Supervisory Board convenes at least twice in each calendar half-year. The meetings of the Supervisory Board are convened in writing by its chairman at least 14 days in advance. Further and more detailed information on the exact number of meeting dates and the topics discussed at them can be found in the Supervisory Board's report to the company's Annual General Meeting.

When a meeting of the Supervisory Board is convened, the agenda items must be communicated. If an agenda has not been properly announced, a resolution may only be passed on this if no member of the Supervisory Board objects before the resolution is passed.

As a rule, the Supervisory Board adopts its resolutions in meetings attended in person. However, it is permissible for Supervisory Board meetings to be held by way of a video or telephone conference connection or for individual Supervisory Board members to participate by means of video or telephone transmission, and for resolutions to be adopted or votes to be cast by video or telephone conference in such cases. Meetings are chaired by the Chairman of the Supervisory Board. Outside of meetings, resolutions may also be passed by other means, for example by telephone or e-mail, if the Chairman so directs and provided that no member objects to this procedure.

The supervisory board constitutes a quorum if all members have been properly invited and at least three members participate in the resolution. A member also participates in a resolution if he abstains from voting.

Unless otherwise required by law, the supervisory board adopts resolutions by a simple majority vote.

Minutes are kept of the discussions and resolutions of the Supervisory Board.

The Chairman of the Supervisory Board is authorized to make the declarations of intent necessary to carry out the resolutions of the Supervisory Board on behalf of the Supervisory Board. The Audit and Risk Committee supports the Supervisory Board in monitoring the accounting and the integrity of the accounting process, as well as in monitoring the effectiveness and functionality of the internal control system, the risk management system, the compliance management system, and the internal audit system. Furthermore, it supports the Supervisory Board in monitoring the audit of the financial statements, the services provided by the auditor, the audit fees and the additional services provided by the auditor.

The Audit and Risk Committee deals intensively with the annual financial statements and the consolidated financial statements, the combined management report for the company and the group, the non-financial statement and the non-financial group statement, and the Management Board's proposal for the appropriation of net profit. It discusses the audit reports, the audit process, the audit priorities and methodology, and the audit results, including with regard to the internal control system related to the accounting process, with the Management Board and the auditor, and makes recommendations to the Supervisory Board. It regularly assesses the quality of the audit. It discusses the quarterly statements and the half-yearly financial report with the Management Board prior to publication.

The Audit and Risk Committee prepares the proceedings and resolutions of the Supervisory Board for the proposal of the auditor for election at the Annual General Meeting and decisions on corporate governance issues. It also decides on the approval of significant transactions with related parties in accordance with Section 111b (1) of the German Stock Corporation Act (AktG) (so-called related party transactions). There were no such transactions in the reporting period.

The Audit and Risk Committee discusses the assessment of the audit risk, the audit strategy and audit planning, and the audit results with the auditor. The Chairperson of the Audit and Risk Committee also regularly discusses current topics related to the audit and the progress of the audit with the auditor in the presence of all members of the Audit and Risk Committee. The Audit and Risk Committee also regularly consults with the auditor without the Management Board. In 2024, a total of two coordination meetings were held with the auditor.

The Chairperson of the Audit and Risk Committee shall report regularly to the Supervisory Board on the activities of the Audit and Risk Committee. The Chairperson of the Supervisory Board shall be informed immediately of any significant events or findings of the Audit and Risk Committee.

Targets for the composition of the Supervisory Board / status of implementation

The Supervisory Board of the company strives for a composition of the Supervisory Board that enables qualified advice and monitoring of the company's Management Board.

In view of

- the size of the Supervisory Board,

- the business in which the Company operates,
- the size and structure of the Company,
- the scope of the Company's international activities, and
- its current shareholder structure

The Supervisory Board of the company has adopted the following objectives for the composition of the Supervisory Board. These take into account the statutory requirements both with regard to the requirements for individual Supervisory Board members and with regard to the requirements for the composition of the Supervisory Board as a whole and - unless a deviation is expressly declared – the recommendations of the German Corporate Governance Code. In particular, a profile of skills and expertise has been drawn up for the Board as a whole.

The Supervisory Board will take the objectives into account when making proposals to the Annual General Meeting for the election of Supervisory Board members and will ensure that the respective candidates meet the requirements for fulfilling the profile of skills and expertise for the entire board. The specific situation of the company will be taken into account.

The Supervisory Board of the company endeavors to ensure that each member of the Supervisory Board fulfills the following requirements:

General requirements profile

Each Supervisory Board member should have the necessary knowledge and experience to be able to diligently monitor and advise the company's Management Board and assess any risks to the company's business. The Supervisory Board will also ensure that all Supervisory Board members have a personal profile that enables them to uphold the company's reputation in the public eye.

Time availability

All Supervisory Board members should be able to devote the time required for the diligent performance of their mandate over their entire term of office. Supervisory Board members should comply with the requirements of the law and observe the recommendation of the German Corporate Governance Code with regard to the permissible number of Supervisory Board mandates.

Conflicts of interest

Supervisory Board members should not perform any other activities that make the frequent occurrence of conflicts of interest likely. This includes board functions or advisory tasks at major competitors or personal relationships with such competitors.

Age limit for Supervisory Board members

As a rule, members of the Supervisory Board should not have reached the age of 70 at the time of their election or re-election.

Requirements for the composition of the full board

In addition to the individual requirements for Supervisory Board members, the company's Supervisory Board also strives to achieve the following objectives for its composition as a whole in accordance with C.1 GCGC.

Competence profile for the entire board

The members of the Supervisory Board as a whole must have the knowledge, skills and professional experience required to properly perform their duties. The Supervisory Board strives to ensure that the Supervisory Board as a whole covers the broadest possible spectrum of knowledge and experience relevant to the company and in particular fulfills the following requirements:

- In-depth knowledge and experience in the Internet industry, especially in companies that deal with online presences, digitization applications, e-commerce applications and cloud applications and the respective associated infrastructures and technologies;
- Specialist knowledge or experience from other economic sectors;
- entrepreneurial or operational experience;
- at least one member of the Supervisory Board with several years of operational experience gained abroad or in an internationally active company;
- at least one member with expertise in the field of accounting, whereby the expertise in the field of accounting must consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems and must also relate to sustainability reporting;
- at least one additional member with expertise in the field of auditing, whereby the expertise in the field of auditing must consist of special knowledge and experience in the field of auditing and must also relate to the audit of sustainability reporting;
- Expertise on sustainability issues of importance to the company;
- Knowledge and experience in strategy development and implementation;
- in-depth knowledge and experience in controlling and risk management;
- Knowledge and experience in personnel planning and management (human resources);
- -depth knowledge and experience in the field of governance and compliance;
- Expertise on the needs of capital market-oriented companies.
- The Supervisory Board should not include more than two former members of the Management Board. This target has also been met. Furthermore, Supervisory Board members should immediately disclose any current conflicts of interest to the Supervisory Board and resign from the Supervisory Board in the event of permanent conflicts of interest. No such conflicts of interest arose in the reporting year.
- Members of the Supervisory Board should retire from the Supervisory Board at the end of the following Annual General Meeting after reaching the age of 70. This target is also met.
- The Supervisory Board should include at least one woman. This target is met by the membership of Dr. Claudia Borgas Herold and Ms. Vanessa Stuetzle on the Supervisory Board.

Diversity

The Supervisory Board strives to ensure that the Supervisory Board has a diverse composition so that the Supervisory Board as a whole has a sufficient diversity of opinions and knowledge. In its election proposals, the Supervisory Board will take into account the diversity concept defined by the company, which is presented in a separate section below.

Independence

The Supervisory Board aims to ensure that, in its opinion, an appropriate number of at least four of the six members of the Supervisory Board are also independent within the meaning of the criteria set out in the recommendations of the German Corporate Governance Code.

In the year under review, the Supervisory Board addressed the above objectives for its composition, discussed them in particular with regard to the competence profile for the entire board, retained them and further expanded on them. The Supervisory Board aims to fulfill the competence profile it has developed for the entire board.

Zusammensetzung des Aufsichtsrats

In the 2024 fiscal year, the supervisory board of IONOS Group SE consisted of the following members:

Supervisory Board members as of December 31, 2024

- Ralph Dommermuth
  (Chairman of the Supervisory Board since January 2023)
- René Obermann
  (Deputy Chairman since January 2023)
- Dr. Claudia Borgas-Herold
  (Member of the Supervisory Board since January 26, 2023, and member of the Audit and Risk Committee since February 2023))
- Vanessa Stuetzle
  (Member of the Supervisory Board since January 26, 2023, and member of the Audit and Risk Committee since October 2024)
- Kurt Dobitsch
  (Member of the Supervisory Board since January 26, 2023, and Member of the Audit and Risk Committee since February 2023)

Departed in the 2024 fiscal year

- Martin Mildner
  (Member of the Supervisory Board and the Audit and Risk Committee from May 2023 to September 2024)

In the opinion of the Supervisory Board, four out of five members of the current Supervisory Board are independent within the meaning of recommendation C.9 GCGC. There is a business relationship with one member of the Supervisory Board based on rental contracts, but this is not considered material. This is only an indicator; there is no conflict of interest. Furthermore, contracts with other companies of the UI Group are not to be considered external to the Group. Therefore, all members of the Supervisory Board are considered independent within the meaning of recommendation C.7 of the German Corporate Governance Code.

Skills matrix:

		Ralph Dommer-muth	**René Ober-mann**	**Dr. Claudia Borgas-Herold**	**Vanessa Stuetzle**	**Kurt Dobitsch**
Period of affiliation	Member since	2023	2023	2023	2023	2023
Age limit (70)	Year of birth	1963	1963	1963	1978	1954
Personal suitability	Independence (C. 9 DCGK)		fulfilled	fulfilled	fulfilled	fulfilled
	No overboarding	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
	Former member of the Management Board					
	No conflicts of interest	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
Diversity	Gender	Male	Male	Female	Female	Male
	Nationality	German	German	German	German	Austrian
Professio-nal suita-bility	If applicable E-Com, Tech, Internet, Cloud; specialist knowledge and experience in the Internet industry, Digiti-zation applications, ecommerce applica-tions	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
	Knowledge of cloud ap-plications and the asso-ciated infrastructures and technologies	fulfilled	fulfilled	fulfilled		fulfilled
	Specialist knowledge / experience from other economic sectors	fulfilled	fulfilled		fulfilled	fulfilled

		Ralph Dommer-muth	René Ober-mann	Dr. Claudia Borgas-Herold	Vanessa Stuetzle	Kurt Dobitsch
Professio-nal suita-bility	Entrepreneurial or ope-rational experience	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
	Application of account-ing principles, internal control & risk manage-ment systems, incl. sus-tainability reporting					fulfilled
	Audit of financial state-ments, incl. audit of sustainability reporting					fulfilled
	Expertise on the sus-tainability issues that are important for the company				fulfilled	fulfilled
	Strategy development and implementation	fulfilled	fulfilled		fulfilled	fulfilled
	Controlling and risk management		fulfilled		fulfilled	fulfilled
	Personnel planning and management (HR)	fulfilled				fulfilled
	Governance and Com-pliance	fulfilled	fulfilled		fulfilled	fulfilled
	Expertise on the needs of capital market-ori-ented companies	fulfilled	fulfilled			fulfilled
Internatio-nal experi-ence	e.g., through several years of work abroad or operational experi-ence in an internation-ally active company (e.g., in the field of fi-nancial engineering, telecommunications, M&A)	fulfilled	fulfilled	fulfilled		fulfilled

The members of the Supervisory Board's Audit and Risk Committee have extensive expertise in the areas listed in D.3 of the German Corporate Governance Code, details of which are provided below.

The Chairman of the Audit and Risk Committee, Mr. Kurt Dobitsch, has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit, due to his many years of service as former Vice President Europe at Compaq Computer Corporation, as former Managing Director of Access Computer GmbH, and as Chairman of the Supervisory Board of 1&1 AG. His expertise in these areas consists of particular knowledge and experience in the application of international and national accounting principles and internal control and risk management systems with regard to accounting, and particular knowledge and experience in auditing with regard to auditing financial statements.

Ms. Vanessa Stuetzle has been a member of the Audit and Risk Committee since October 1, 2024. Due to her many years of experience in leading positions, including as Chief Executive Officer of the LUQOM GROUP and Lampenwelt GmbH, and previously as Chief Digital Officer and a member of the management board at DOUGLAS, she has knowledge in the areas of e-commerce, tech, marketplace, omnichannel, CRM, retail media sales and data strategy. From 2011 to 2017, she worked for the s.Oliver Group, where she managed the e-commerce and CRM business of all the group's brands as Chief Digital Officer and built one of the largest mono-label shops in Europe in the fashion segment. Furthermore, Ms. Stuetzle has been a member of the Supervisory Board of Hornbach Holding AG & Co. KGaA since July 2022. Her expertise in the areas of auditing, including the audit of sustainability reporting, includes, in particular, knowledge and experience in the sustainability issues relevant to the company.

The Supervisory Board's election proposals for the election of Supervisory Board members should continue to be based on the well-being of the company, taking into account these objectives and the effort to fill out the profile of skills and expertise for the body as a whole. The specific situation of the company is to be taken into account.

Subject to the creation of short fiscal years, the respective term of office of the Supervisory Board members ends at the end of the Annual General Meeting in 2028.

Targets for the share of women on the Supervisory Board, Management Board, and in management positions / implementation status

As a listed company, IONOS Group SE has the following obligations in particular under the German Stock Corporation Act (AktG):

- Determination of targets for the proportion of women on the Supervisory Board of IONOS Group SE by the Supervisory Board (Section 111 (5) AktG).

- Determination of targets for the proportion of women on the Management Board of IONOS Group SE by the Supervisory Board (Section 111 (5) AktG).

- Determination of targets for the proportion of women in the first and second management levels of IONOS Group SE by the Management Board (Section 76 (4) AktG).

The following specifications may each cover a maximum period of 5 years.

After thorough examination, the Supervisory Board and Management Board of IONOS Group SE have adopted the following resolutions:

- The Supervisory Board set the deadline for achieving the current targets for the proportion of women and the proportion of men on the Supervisory Board and Management Board at the end of the Annual General Meeting in 2028, which will decide on the discharge of the Supervisory Board for the 2027 fiscal year. The Supervisory Board will be newly elected at this Annual General Meeting.

- The target for the proportion of women was set at 1/3. The target figure for the proportion of men was also set at 1/3. The Supervisory Board is currently made up of 2 women and 3 men.

- For the Management Board, the target for the proportion of women was set at a minimum of one-third, and for men at a minimum of one-third. As long as the Management Board consists of fewer than three members, the aim is for it to comprise at least one woman and at least one man. The Management Board currently consists of one woman and two men.

- Regardless of this, the selection should always be based on the individual competence profile of the potential board members, whereby the Supervisory Board endeavors to give preference to women in the case of equal qualifications.

- No target has been set for the proportion of women in the first and second management levels below the Management Board because IONOS Group SE, due to its holding structure, has no management levels below the Management Board.

The Supervisory Board and Management Board of IONOS Group SE currently consider the aforementioned targets to be met without exception.

Diversity concept

Diversity aspects are always taken into account in the composition of the Management Board and Supervisory Board. The company considers diversity to be not only desirable, but also crucial to the company's success. Accordingly, the company pursues an appreciative corporate culture in which individual diversity in terms of culture, nationality, gender, age group, educational and professional background, and religion is desired and equal opportunities - regardless of age, disability, ethnic-cultural origin, gender, religion and ideology or sexual identity - are promoted accordingly.

The company strives to ensure that the composition of the Management Board and Supervisory Board is diverse and that they as a whole have a sufficient diversity of opinions and knowledge.

The following criteria in particular should be taken into account:

- The members of the Management Board and the Supervisory Board should complement each other within the respective bodies in terms of their experience and their educational and professional backgrounds in order to develop a good understanding of the current status and the longer-term opportunities and risks associated with the company's business activities.

- The Management Board and Supervisory Board have set targets for the gender quota for the reference period up to the Annual General Meeting in 2028 that decides on the discharge of the Supervisory Board for the 2027 fiscal year. The Supervisory Board is currently composed of two women and three men. Both genders should generally be treated equally based on their qualifications.

- With the exception of the age limit of 68 or 70 years, respectively, as stipulated in B.5 and C.2 of the German Corporate Governance Code, there are no age limits for members of the Management Board and Supervisory Board; instead, the only distinction is made according to the required knowledge and experience.

- Given the current size of the Management Board and Supervisory Board of only three and six members, respectively, no targets have been set with regard to geographical origin. In the case of the Supervisory Board, the requirement for international experience is already taken into account by the fact that at least one member of the Supervisory Board should have several years of operational experience gained abroad or in an internationally active company.

Individual strengths - i.e., everything that makes individual employees unique and distinctive within the company - are what made it possible for the company to become what it is today. A workforce that is made up of a wide variety of personalities offers optimum conditions for creativity and productivity—and therefore also employee satisfaction. The resulting potential for ideas and innovation strengthens the company's competitiveness and increases its opportunities in future markets. In line with this idea, the aim is not only to find a field of activity and function for each employee in which their individual potential and talents can be exploited to the full; the composition of the Management Board and Supervisory Board should also take diversity into account, for example in terms of age, gender or professional experience, in the company's own interests.

The Supervisory Board has determined that the entirety of the statutory and self-imposed provisions relevant to its composition (targets for composition, competence profile, statutory target for the proportion of women, age limit and the other provisions outlined above) should be considered a diversity concept within the meaning of Section 289f (2) no. 6 HGB. The company does not consider diversity targets that go beyond this with additional or more specific criteria to be appropriate. In view of the size of the Management Board and Supervisory Board, a higher number and more specific diversity aspects would cause considerable difficulties in filling the positions appropriately, taking into account all diversity criteria.

In the opinion of the members of the Management Board and Supervisory Board, the diversity concept for the Management Board and Supervisory Board is currently fulfilled.

General Meeting

The Annual General Meeting is the decision-making body for the shareholders of IONOS Group SE. The annual and consolidated financial statements are presented to the shareholders at the Annual General Meeting. The shareholders decide on the appropriation of the balance sheet profit and vote on other issues stipulated by law, such as the discharge of the Management Board and Supervisory Board and the election of the auditor. Each share carries one vote. Shareholders who register in good time and are entered in the share register on the day of the Annual General Meeting are entitled to attend the Annual General Meeting. Shareholders may also exercise their voting rights at the Annual General Meeting by proxy. The company provides a proxy for this purpose, who votes in accordance with the shareholders' instructions, insofar as he has been instructed to do so by the shareholders.

Governance functions

At IONOS Group SE, the governance functions are part of an integrated “GRC” organization that includes the functions of corporate governance, corporate risk management, internal control system, and corporate compliance. The GRC functions are under the unified leadership of the Chief Financial Officer (CFO) of IONOS Group SE.

Internal Control System and Risk Management System

To ensure the long-term success of IONOS Group SE, it is essential that the risks associated with business activities are effectively identified, analyzed, and eliminated or mitigated by means of appropriate control measures and controls. The internal control system and the risk management system ensure that risks are handled responsibly. In particular, they are designed to recognize risks early on, assess, control and monitor them throughout the Group. The systems are constantly being developed and adapted to changing circumstances. The Management Board regularly informs the Supervisory Board about existing risks and how they are being handled, as well as the effectiveness of internal controls. The appropriateness and effectiveness of the internal control system and the risk management system have been determined by the Supervisory Board in its entirety.

The main features of the internal control system and the risk management system with regard to the accounting process of the company and the Group are described in detail in the combined management report for the company and the Group in accordance with Sections 289 (4) and 315 (4) HGB. There, the Management Board also reports in detail on existing risks and their development.

Compliance

In order to ensure compliance with legal requirements and internal company guidelines, the Management Board of IONOS Group SE has implemented a group-wide risk-oriented compliance management system (CMS) whose primary goal is to prevent or at least minimize actual violations and corresponding risks. Actual violations should be uncovered, remedied and, depending on their severity, sanctioned. The centerpiece is a central code of conduct. The code of conduct applies to all board members and employees of the IONOS Group SE and ensures that the value system is consistently and continuously applied across the board.

The Compliance department is responsible for the specific design of the CMS. In certain areas of the company, such as HR, the Compliance department is supported by functional compliance managers.

The overarching goal of all compliance activities is to prevent compliance violations. This goal is to be achieved by means of appropriate measures tailored to the company's risk situation and taking effect at all three levels of action—prevention, detection and response. The focus is on corruption prevention, policy management, the establishment of confidential reporting channels, and the protection of whistleblowers.

Financial disclosures / transparency

It is the declared aim of IONOS Group SE to inform institutional investors, private shareholders, financial analysts, employees and the interested public about the company's situation through regular, open and up-to-date communication on an equal footing.

To this end, all material information, such as press releases, ad hoc disclosures and other mandatory disclosures (such as directors' dealings or voting rights notifications), as well as all financial reports, are published in accordance with legal requirements. IONOS Group SE also provides extensive information on the company's website (www.ionos-group.com). Documents and information on the company's Annual General Meetings and other financially relevant information can also be found there.

IONOS Group SE reports to shareholders, analysts and representatives of the press four times per fiscal year on business developments and the financial and earnings position in accordance with a fixed financial calendar. The financial calendar is published and regularly updated on the company's website and in accordance with legal requirements.

In addition, the Management Board issues ad hoc disclosures without delay on circumstances that are not publicly known and could have a significant impact on the share price.

As part of investor relations, the management meets regularly with analysts and institutional investors. In addition, analyst conferences are held to present the half-year and annual figures, to which investors and analysts also have access by telephone.

Accounting and auditing

The IONOS Group's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS, as adopted by the EU), taking into account Section 315e of the German Commercial Code (HGB). By contrast, the annual financial statements of IONOS Group SE, which are relevant for dividend and tax purposes, are prepared in accordance with the provisions of the German Commercial Code (HGB). The annual and consolidated financial statements are audited by independent auditors. The auditor is elected by the Annual General Meeting. The Supervisory Board issues the audit mandate, determines the focal points of the audit and the audit fee, and verifies the independence of the auditor.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has been the auditor for IONOS Group SE and the Group since the 2022 fiscal year. The audit partners responsible for the audit are Mr. Christian David Simon and Mr. Erik Hönig.

Remuneration of Management Board and Supervisory Board

The remuneration of the members of the Management Board and the Supervisory Board is each presented in a detailed remuneration report for the 2024 fiscal year in accordance with Section 162 AktG together with the associated auditor's report, which is published on the company's website at https://www.ionos-group.com/investor-relations/publications/reports.html. and is accessible there. The applicable compensation system is presented in detail in the appendix to this compensation report in accordance with Section 87a (1) and (2) sentence 1 AktG and the last compensation resolution of the Annual General Meeting is also reproduced in accordance with Section 113 (3) AktG. Information on the compensation of the Management Board and Supervisory Board can also be found in the notes to the consolidated financial statements for the 2024 fiscal year under note 43.

Declaration of compliance with the recommendations of the German Corporate Governance Code pursuant to Section 161 AktG

On December 19, 2023, the Management Board and Supervisory Board of IONOS Group SE issued the following Declaration of Conformity in accordance with Section 161 AktG and subsequently published it on the company's website (www.ionos-group.com) and in the Federal Gazette.

The Management Board and Supervisory Board of IONOS Group SE declare in accordance with Section 161 of the German Stock Corporation Act:

The Management Board and Supervisory Board of IONOS Group SE declare that IONOS Group SE has complied with the recommendations of the German Corporate Governance Code ("Code") in the version dated April 28, 2022, which took effect upon publication in the Federal Gazette on June 27, 2022, and the last declaration of conformity dated December 19, 2023, with the exceptions stated in each case, and will continue to comply with the recommendations of the Code in the future with the following exceptions:

Section D.4
Formation of a nomination committee

In addition to the Audit and Risk Committee, the Supervisory Board does not form any other committees, but performs all other tasks as a whole. The Supervisory Board considers this to be appropriate, as efficient discussions in plenary sessions and an intensive exchange of opinions are possible even with a six member Supervisory Board. The Supervisory Board therefore sees no need to set up a nomination committee.

Section G.1 to G.5
Remuneration of the Management Board - remuneration system

With the submission to the Annual General Meeting in May 2023, the remuneration system became the basis for service contracts with members of the Management Board. The remuneration system developed takes into account the recommendations in G.1 to G.5 of the Code without any restrictions. Existing service contracts with members of the Management Board have already complied with the requirements of the remuneration system since the company's shares were first listed on the stock exchange. According to Section G.1 of the Code, the remuneration system should specify, among other things, the maximum amount of total remuneration that may not be exceeded (maximum remuneration). The current remuneration system contains such a maximum remuneration. Maximum remuneration is also shown separately for Management Board member Achim Weiß, CEO of the IONOS Group. However, Mr. Weiß's maximum remuneration may still change as a result of exercising a special right of termination for change of control (see also below) or applying an "early vesting rule" described in the remuneration system and may therefore be significantly higher than the basic maximum remuneration specified for him in the remuneration system. In this respect, a deviation from Section G.1 of the Code is declared purely as a precautionary measure.

Section G.10
Remuneration of the Management Board - Long-term variable remuneration

According to G.10 of the Code, the variable remuneration amounts granted to members of the Management Board should be invested primarily in shares in the company or granted on a share-based basis. In addition, the respective Management Board member should only be able to dispose of such amounts after four years. Share-based remuneration is offered as part of the Stock Appreciation Rights (SARs) program as a long-term remuneration program for the Management Board. The term of this program is 6 years in total. Within these 6 years, the respective member of the Management Board can exercise a portion (1/3) of the SARs allocated at certain times - but not before 3 years. This means that a member of the Management Board can already dispose of part of the long-term variable remuneration after 3 years. Full exercise of all SARs is possible for the first time after 5 years.

The Supervisory Board is of the opinion that this system of long-term compensation for Management Board members within the United Internet Group has proven its worth and sees no reason to further postpone the possibility of disposing of compensation earned under the program. The Supervisory Board believes that the link to the share price of IONOS Group SE and the option to surrender its shares to fulfill the entitlements under the program already ensure that the Management Board member participates appropriately in the risks and opportunities of IONOS Group SE. Because the program is designed for a term of 6 years and the SARs awarded are allocated pro rata over this period and after 3 years at the earliest, the Supervisory Board believes that an optimal commitment effect and incentive control have been achieved in the interests of IONOS Group SE, which makes it unnecessary to further postpone the first disposal option.

Section G.14
Remuneration of the Management Board - change of control regulations

In accordance with G.14 of the Code, commitments for benefits in the event of premature termination of the employment contract by the Management Board member due to a change of control should not be agreed. The employment contracts of ordinary members of the Management Board and the remuneration system for them do not provide for such benefits. Only for the member of the Management Board, Achim Weiß, who is also CEO of IONOS, do the remuneration system and contractual agreements provide for the provisions described in the remuneration system in the event of a change of control. In particular, this leads to a special right of termination for Mr. Weiß's employment contract and, if exercised, to an early vesting of SARs allocated to him. In this respect, the company deviates from G.14 of the Code. The Supervisory Board is of the opinion that this regulation is justified against the background of Mr. Weiß's trusting relationship with the medium-sized anchor shareholder of IONOS Group SE, and was also necessary against this background to ensure Mr. Weiß's continued work for the IONOS Group.

7. Remuneration report

With the Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II), Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017, was transposed into national law. In this context, the legislator introduced new statutory provisions for listed companies regarding remuneration reporting, which apply to fiscal years beginning on or after January 1, 2021.

The remuneration report is a separate report that is not linked to the financial statements. The main disclosures required to date, in particular the itemized reporting of the compensation of the Management Board and the main features of the compensation system, have been removed from the combined management report and transferred to the new remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG).

The remuneration system and the disclosure of the remuneration of the members of the Management Board and the Supervisory Board for the 2024 fiscal year in accordance with Section 162 AktG can be found in the “Remuneration Report 2024”, which is published on the company's website at https://www.ionos-group.com.

Information on Management Board and Supervisory Board remuneration can also be found in the notes to the consolidated financial statements under note 43.

8. Dependent company report

The Management Board declares in accordance with Section 312 of the German Stock Corporation Act (AktG) that the company did not carry out any legal transactions with the controlling company or one of its affiliated companies or at the behest or in the interest of these companies during the fiscal year. Furthermore, no measures were taken or omitted at the behest or in the interest of these companies.

Montabaur, March 21, 2025

Achim Weiß	Britta Schmidt	Dr. Jens Reich

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

as of December 31, 2024, in €k

in €k	Note	December 31, 2024	December 31, 2023*
ASSETS			
Current assets			
Cash and cash equivalents	18	30,180	22,652
Trade accounts receivable	19	91,492	73,512
Receivables from related parties	20 / 43	88,487	63,094
Contract assets	21	9,235	8,235
Inventories		54	69
Prepaid expenses	22	26,684	25,530
Other financial assets	23	16,306	28,313
Other non-financial assets	23	939	658
Income tax claims	24	6,262	2,722
		269,639	**224,785**
Non-current assets			
Investments in associated companies	25	2,407	4,279
Receivables from finance leases	46	2,509	2,851
Other financial assets	26	761	761
Property, plant and equipment	27	315,402	321,661
Intangible assets			
Other intangible assets	28	145,610	164,174
Goodwill	29	830,144	826,271
Contract assets	21	22	9
Prepaid expenses	22	26,122	13,628
Deferred tax assets	16	50,970	37,846
		1,373,947	**1,371,480**
Total assets		**1,643,586**	**1,596,265**

in €k	Note	December 31, 2024	December 31, 2023*
LIABILITIES			
Current liabilities			
Trade accounts payable	30	112,311	89,227
Liabilities to related parties	32 / 43	6,280	6,292
Liabilities due to banks	31	102	1,125
Income tax liabilities	33	35,798	21,982
Contract liabilities	34	92,653	84,645
Other provisions	35	640	888
Other financial liabilities	36	58,077	48,186
Other non-financial liabilities	36	54,251	45,770
		360,112	298,115
Non-current liabilities			
Liabilities due to banks	31	797,577	796,462
Liabilities to related parties	32 / 43	170,000	350,000
Deferred tax liabilities	16	42,827	33,652
Contract liabilities	34	2,112	1,929
Other provisions	35	3,271	3,262
Other financial liabilities	36	108,927	115,626
		1,124,714	1,300,931
Total liabilities		**1,484,826**	**1,599,046**
EQUITY			
Issued capital	38	140,000	140,000
Reserves	39	41,672	-122,222
Treasury shares	40	-12,172	0
Currency translation adjustment	39	-10,884	-20,697
Equity attributable to shareholders of the parent company		158,616	-2,919
Non-controlling interests	41	144	138
Total equity		**158,760**	**-2,781**
Total liabilities and equity		**1,643,586**	**1,596,265**

* Previous year adjusted. The liabilities from wage and salary (2024: €22,205k; 2023: €19,761k) were reclassified from financial to non-financial liabilities to improve the consistency of the financial statements.

Consolidated statement of comprehensive income

for the period from January 1 to December 31, 2024, in €k

in €k	Note	2024	2023
Revenue from contracts with customers	5	1,514,605	1,378,203
Revenue from contracts with related parties	6	45,696	45,531
Total revenue		**1,560,301**	**1,423,734**
Cost of sales	7	–801,232	–737,938
Gross profit		**759,069**	**685,796**
Selling expenses	8	–325,025	–318,647
General and administrative expenses	9	–100,502	–97,144
Impairment losses on receivables and contract assets	10	–17,054	–14,145
Other operating expenses	11	–19,128	–14,799
Other operating income	11	20,816	36,411
Operating result		**318,176**	**277,472**
Finance costs	14	–78,018	–93,784
Finance income	15	5,411	31,875
Share of the profit or loss of associates accounted for using the equity method	25	–1,757	–251
Pre-tax result		**243,812**	**215,312**
Income taxes	16	–74,140	–41,066
Net income		**169,672**	**174,246**
thereof attributable to			
non-controlling interests	41	6	15
shareholders of IONOS Group SE		169,666	174,231
Result per share of shareholders of IONOS Group SE (in €)	17		
basic		1.22	1.24
diluted		1.19	1.23
Weighted average of outstanding shares (in thousand units)			
basic		139,536	140,000
diluted		142,502	141,473
Reconciliation to total comprehensive income			
Net income		**169,672**	**174,246**
Items that may be reclassified subsequently to profit or loss			
Currency translation adjustment - unrealized		9,813	5,322
Other comprehensive income		**9,813**	**5,322**
Total comprehensive income		**179,485**	**179,568**
thereof attributable to			
non-controlling interests		6	15
shareholders of IONOS Group SE		179,479	179,553

Consolidated statement of changes in equity

for the period from January 1 to December 31, 2024, in €k

in €k	Issued capital	Reserves	Treasury shares
Note	38	1 / 39	40
Balance as of January 1, 2023	**360**	**–136,644**	**0**
Net income	0	174,231	0
Other comprehensive income	0	0	0
Total comprehensive income	**0**	**174,231**	**0**
Capital increase from company funds	139,640	–139,640	0
Employee stock ownership program	0	–20,169	0
Balance as of December 31, 2023	**140,000**	**–122,222**	**0**
Balance as of January 1, 2024	**140,000**	**–122,222**	**0**
Net income	0	169,666	0
Other comprehensive income	0	0	0
Total comprehensive income	**0**	**169.,666**	**0**
Purchase of Treasury shares	0	0	–22,319
Issuance of Treasury shares in connection with the employee stock ownership program	0	–18,022	10,147
Employee stock ownership program	0	12,250	0
Balance as of December 31, 2024	**140,000**	**41,672**	**–12,172**

in €k	Currency translation adjustment	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
	39		40	
	–26,019	**–162,303**	**123**	**–162,180**
	0	174,231	15	174,246
	5,322	5,322	0	5,322
	5,322	**179,553**	**15**	**179,568**
	0	0	0	0
	0	–20,169	0	–20,169
	–20,697	**–2,919**	**138**	**–2,781**
	–20,697	**–2,919**	**138**	**–2,781**
	0	169,666	6	169,672
	9,813	9,813	0	9,813
	9,813	**179,479**	**6**	**179,485**
	0	–22,319	0	–22,319
	0	–7,875	0	–7,875
	0	12,250	0	12,250
	–10,884	**158,616**	**144**	**158,760**

Consolidated cash flow statement

for the period from January 1 to December 31, 2024, in €k

in €k	Note	2024	2023
Net income		169,672	174,246
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization of intangible assets and property, plant and equipment	12	91,456	87,480
Depreciation and amortization of assets resulting from business combinations	12	20,590	20,428
Employee expenses from share-based payment programs	37	5,692	5,879
Payments from share-based payment programs	37	–7,875	–13,630
Share of the profit or loss of associates accounted for using the equity method	25	1,758	251
Distributed profits of associated companies	25	115	156
Other non-cash items from changes in deferred tax position	16	1,432	–27,884
Other non-cash items		–75	0
Income/Loss from the sale of intangible assets and property, plant and equipment	11	–92	–150
Non-cash change in purchase price derivative		12,730	–22,881
Interest expenses		62,864	85,969
Cash flow before changes in balance sheet items (subtotal)*		**358,267**	**309,864**
Change in assets and liabilities			
Change in receivables and other assets	19 / 23 / 26	–6,237	–17,343
Change in inventories		15	93
Change in contract assets	21	–1,013	–116
Change in prepaid expenses	22	–13,649	–6,805
Change in trade accounts payable	30	23,084	8,903
Change in receivables from/liabilities to related parties	20 / 32 / 42	–1,423	–1,521
Change in other provisions	35	–139	317
Change in income tax liabilities	16	13,816	2,549
Change in other liabilities	36	5,891	7,454
Change in contract liabilities	34	8,191	11,101
Change in assets and liabilities, total		**28,536**	**4,632**
Cash flow from operating activities		**386,803**	**314,496**

in €k	Note	2024	2023
Cash flow from investing activities			
Cash payments to acquire property, plant and equipment and intangibles	27 / 28	–76,872	–81,699
Cash receipts from sales of property, plant and equipment and intangibles		542	1,561
Cash payments for business combinations, net of cash acquired	4	0	–4,416
Payments for the acquisition/capital increase of associated companies	25	0	–2,263
Payments within the framework of cash pooling		–23,983	–27,502
Payments related to other financial assets		0	153
Cash flow from investing activities		**–100,313**	**–114,166**
Cash flow from financing activities			
Purchase of treasury stock	40	–22,319	0
Cash proceeds from loans	31 / 46	0	800,000
Repayment of loans	46	–180,000	–895,000
Payments for interest on loans		–62,770	–94,604
Redemption of lease liabilities	45	–14,277	–14,920
Cash flow from financing activities		**–279,366**	**–204,524**
Net increase / decrease in cash and cash equivalents		**7,124**	**–4,194**
Cash and cash equivalents at beginning of period		**22,652**	**26,440**
Currency translation adjustments of cash and cash equivalents		**404**	**406**
Cash and cash equivalents at end of period		**30,180**	**22,652**

*Adjustment of the designation; please refer to the comments in note 47.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the Company and the financial statements

The consolidated financial statements of (hereinafter "IONOS Group SE" or "the company") are comprised of various companies in Germany and abroad (hereinafter collectively "IONOS" or "the group"). IONOS is an international digitalization partner and cloud provider for predominantly small and medium-sized enterprises (hereinafter "SMEs").

Deviating business developments from the planned course of business in the reporting year meant that internal reporting to the chief operating decision-maker was adjusted. Since November of the 2024 fiscal year, the operating business of IONOS has been divided into the "Digital Solutions & Cloud" and "AdTech" segments in order to be able to react to business developments in the different areas and to ensure separate management. According to internal management reporting, there are two reportable segments. For a standardized presentation, the previous year's figures for the reportable key figures were allocated to the respective segments.

IONOS Group SE has its registered office in 56410 Montabaur, Elgendorfer Straße 57, Germany, where it is registered with the local court under HRB 25386.

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of December 31, 2024, United Internet AG holds 63.8% and WP XII Venture Holding II SCSp Luxembourg / Luxembourg 8.7% of the shares in IONOS Group SE. 0.3% of the shares are held in treasury. A further 27.2% of the shares are in free float.

The consolidated financial statements of IONOS Group SE have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to Section 315e, para. 1 HGB in conjunction with Section 315e, para. 3, sentence 2 HGB.

The reporting currency is the euro. The figures provided in the appendix are stated in euros (€), thousands of euros (€k) or millions of euros (€m), as appropriate. The consolidated financial statements are generally prepared using the historical cost concept. This does not apply to individual financial instruments that are recognized at fair value.

The balance-sheet date is December 31, 2024. The fiscal year corresponds to the calendar year.

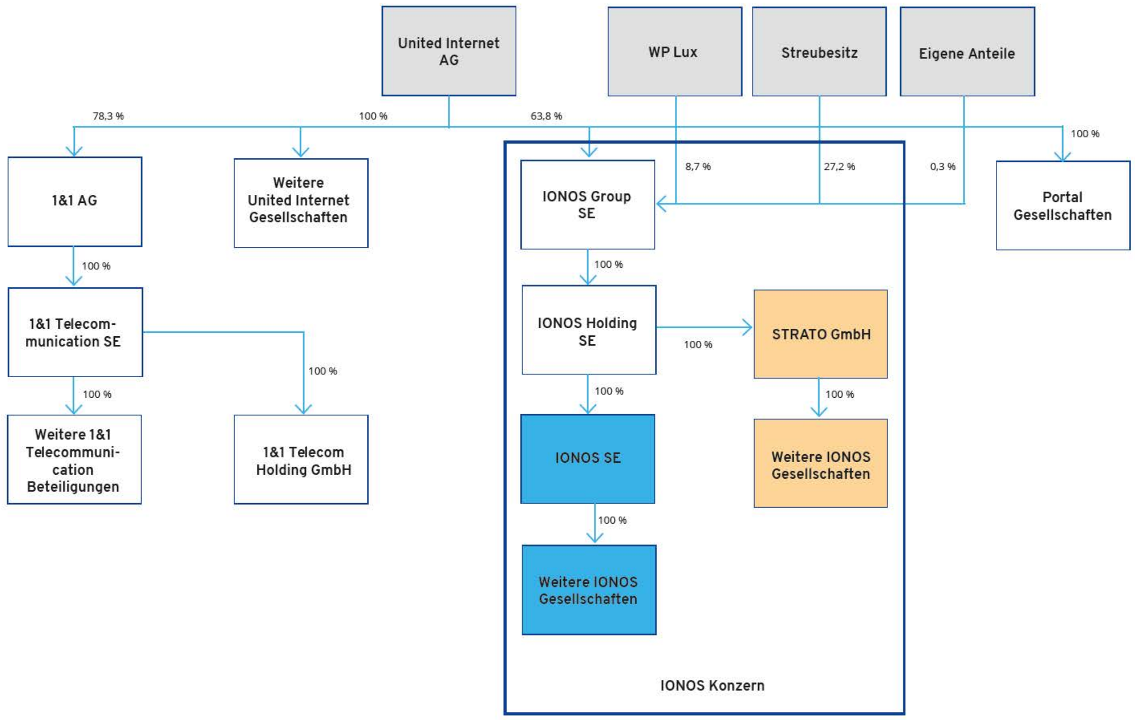
At its meeting on March 20, 2024, the Supervisory Board approved the 2023 consolidated financial statements. The 2023 consolidated financial statements were published on March 21, 2024.

The consolidated financial statements were prepared by the Executive Board of IONOS Group SE on March 21, 2025, and subsequently forwarded to the Supervisory Board. Theoretically, changes could still be made before the Supervisory Board approves the consolidated financial statements and releases them for publication. However, the Management Board expects the consolidated financial statements to be approved in their current form.

IONOS Group SE prepares the consolidated financial statements for the smallest group of companies and discloses them in the company register. The consolidated financial statements for the largest group of companies are prepared by United Internet AG, based in 56410 Montabaur, Elgendorfer Straße 57, Germany, and disclosed in the company register.

Corporate relationship between IONOS and the United Internet Group

The following diagram provides a simplified overview of the corporate structure of the United Internet Group and IONOS as of December 31, 2024:



Basis of consolidation

Determination of the basis of consolidation

As of December 31, 2024, the group comprises the following companies in which IONOS Group SE directly or indirectly holds a majority interest (in accordance with the shares in capital stated in brackets). Unless otherwise stated, the share of capital corresponds to the share of voting rights.

IONOS Holding SE, Montabaur (100.0 %)

- **STRATO GmbH, Berlin (100.0 %)**
  - Cronon GmbH, Berlin (100.0 %)
  - STRATO Customer Service GmbH, Berlin (100.0 %)
- **IONOS SE, Montabaur (100.0 %)**
  - IONOS Datacenter SAS, Niederlauterbach / France (100.0 %)
  - 1&1 Internet Development SRL, Bucharest / Romania (100.0 %)
  - IONOS Cloud S.L.U. Madrid / Spain (100.0 %)
  - IONOS Inc., Chesterbrook, Pennsylvania / USA (100.0 %)
    - A1 Media USA LLC, Chesterbrook, Pennsylvania / USA (100.0 %)
    - 1&1 Cardgate LLC, Chesterbrook, Pennsylvania / USA (100.0 %)
  - IONOS Cloud Ltd., Gloucester / UK (100.0 %)
  - IONOS S.à r.l., Saargemünd / France (100.0 %)
  - IONOS Service GmbH, Montabaur (100.0 %)
  - 1&1 IONOS (Philippines) Inc., Cebu City / Philippines (100.0 %)
  - IONOS Cloud Holdings Ltd., Gloucester / UK (100.0 %)

    - Fasthosts Internet Ltd., Gloucester / UK (100.0 %)
- Arsys Internet S.L.U., Logroño / Spain (100.0 %)
    - Arsys Internet E.U.R.L., Perpignan / France (100.0 %)
    - Tesys Internet S.L., Logroño / Spain (100.0 %)
- InterNetX Holding GmbH, Regensburg (100.0 %)
    - InterNetX GmbH, Regensburg (100.0 %)
        - Schlund Technologies GmbH, Regensburg (100.0 %)
        - PSI-USA Inc., Las Vegas, Nevada / USA (100.0 %)
        - InterNetX Corp., Miami, Florida / USA (100.0 %)
        - PrivateName Services Inc., Richmond / Canada (100.0%)
    - Sedo GmbH, Cologne (100.0 %)
        - DomCollect International GmbH, Montabaur (100.0 %)
        - Sedo.com LLC, Cambridge, Massachusetts / USA (100.0 %)
        - Sedo.cn Ltd., Shenzghen / PR China (100.0%)
- united-domains GmbH, Starnberg (100.0 %)
    - united-domains Reselling GmbH, Starnberg (100.0 %)
- Immobilienverwaltung AB GmbH, Montabaur (100.0 %)
- home.pl S.A., Szczecin / Poland (100.0 %)
    - AZ.pl Sp. z o.o., Szczecin / Poland (100.0 %)
    - HBS Cloud Sp. z o.o., Szczecin / Poland (100.0 %)
    - premium.pl Sp. z o.o., Szczecin / Poland (75.0 %)
- IONOS Cloud Inc., Newark, Delaware / USA (100.0 %)
- World4You Internet Services GmbH, Linz / Austria (100.0 %)
- we22 GmbH, Cologne (100.0 %)
    - we22 Solutions GmbH, Berlin (100.0 %)
    - CM4all GmbH, Cologne (100.0 %)
        - Content Management Inc., Boston, Massachusetts / USA (i.L.; 100.0 %)

Associated companies

Investments over whose financial and operating policies the company can exercise significant influence are recognized as associates in accordance with IAS 28 using the equity method and consist of the following significant companies:

- DomainsBot S.r.l., Rome / Italy (49.0 %)
- Stackable GmbH, Wedel (27.5%)
- Street Media GmbH, Berlin (28.7%)

Changes in the Group

No companies were acquired in the 2024 fiscal year.

The liquidation of the following company was completed in the 2024 fiscal year:

- United Domains Inc., Cambridge, Massachusetts / USA (100.0 %)

The following companies were reincorporated in the 2024 fiscal year:

STRATO AG became STRATO GmbH.

United Domains AG became United Domains GmbH.

2. Accounting and measurement principles

This section first presents all accounting policies that have been applied consistently for the periods presented in these consolidated financial statements. This is followed by an explanation of the accounting standards applied for the first time in these financial statements and the accounting standards recently published but not yet applied.

Going Concern

Last year, despite negative equity, the group was prepared under the assumption of a going concern, as

- IONOS or the previous IONOS SE Group (before the upward expansion of the Group) achieved positive results in the past,
- IONOS will continue to achieve positive results in the future in line with corporate planning and
- IONOS or the previous IONOS SE Group (prior to the upward expansion of the Group) was able to secure financing at all times in the past (including via its main shareholder United Internet AG) and expects to do so in the future as well.

On this basis, there was an expectation in the past that IONOS would be able to meet its financial obligations at all times.

Since the 2024 fiscal year, IONOS has reported positive equity due to positive results. Based on the company's development, the group will continue to be prepared under the assumption of a going concern.

Consolidation principles

The consolidated financial statements comprise the financial statements of IONOS Group SE and all domestic and foreign subsidiaries (majority interests) controlled by it. Control as defined by IFRS 10 exists when an investor has power over the relevant activities of a company, is exposed to variable returns from its relationship with that company, and has the ability to affect those returns through its power over the company. Generally, it is assumed that holding a majority of the voting rights leads to control.

Expenses and income, receivables and liabilities as well as results between the companies included in the consolidated financial statements are eliminated.

Profit or loss and each component of other comprehensive income are attributed to the holders of ordinary shares in the parent company and the non-controlling interests, even if this results in a negative balance of non-controlling interests. If necessary, adjustments are made to the financial statements of subsidiaries in order to harmonize their accounting methods with those of the Group.

A change in the amount of the investment in a subsidiary without loss of control is recognized as an equity transaction.

If the Group loses control over the subsidiary, the associated assets (including goodwill), liabilities, noncontrolling interests and other equity components are derecognized. Any resulting gain or loss is recognized in the income statement. Any retained interest is recognized at fair value.

Upon loss of control, a gain or loss from the disposal of the subsidiary is recognized in the consolidated statement of comprehensive income. This gain or loss is calculated as the difference between (i) the proceeds from the disposal of the subsidiary, the fair value of retained interests, the carrying amount of the non-controlling interests and the cumulative amounts of other comprehensive income attributable to the subsidiary, to the extent that a reclassification to the income statement is planned, and (ii) the carrying amount of the subsidiary's net assets disposed of.

Non-controlling interests represent the share of profit or loss and net assets that is not attributable to the shareholders of the Group. Non-controlling interests are recognized separately in the consolidated balance sheet. They are recognized in the consolidated balance sheet within equity, separately from the equity attributable to the shareholders of IONOS Group SE. In the event of acquisitions of non-controlling interests (minority interests) or disposals of shares with a controlling influence without losing the controlling influence, the carrying amounts of the shares with and without a controlling influence are adjusted to reflect the change in the respective ownership interest. The amount by which the consideration to be paid or received for the change in the ownership interest exceeds the carrying amount of the relevant noncontrolling interest is recognized directly in equity as a transaction with the shareholders.

Business combinations are recognized using the purchase method. This involves recognizing all identifiable assets, liabilities and contingent liabilities of the acquired business at fair value at the time of acquisition. If the sum of the acquisition costs exceeds the fair value of the identifiable assets less liabilities and contingent liabilities, goodwill must be capitalized.

Revenue recognition

The item from revenue with customers exclusively comprises revenue with third parties.

Revenue from contracts with customers is recognized on the basis of the following five stages:

- Identification of the contract or contracts with a customer
- Identification of independent performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations
- Revenue recognition upon fulfillment of the performance obligations

In addition to Germany, IONOS is particularly active in the USA, the UK, Spain, France, Poland, Austria, Canada and Mexico, and is one of the leading companies in all of these countries. The services are offered by different subsidiaries of IONOS Group SE in Germany and abroad.

Customers generally pay in advance for a contractually fixed period for the services to be provided by the company. The main service in the Domains product group is domain registration for the end customer at the respective registry. The resulting revenue is fully realized at the beginning of the contract term in accordance with the special regulations regarding licenses.

Customer contracts in the web hosting product category typically include domain registrations and other services provided over time, such as storage capacity (webspace) and software as a service (SaaS), and thus represent multiple-element arrangements. The total fee from the customer contract is allocated to the different performance obligations. Due to the lack of separate stand-alone selling prices for webspace and SaaS and the high variability of prices, the residual method is used to allocate the total fee. The share of revenue attributable to the period-related services is therefore determined on the basis of the total fee less the stand-alone selling price of the domains included.

IONOS grants its customers time-limited promotional discounts on the basic fee for hosting services and/or domains when they sign a contract. These discounts are realized over the term of the customer contracts in line with the associated performance obligations. In the case of domains, discounts have an immediate revenue-reducing effect due to their point-in-time realization.

The one-time fees invoiced to the customer upon conclusion of the contract, such as activation and setup fees, are allocated to the identified performance obligations and linearized in accordance with their performance. Setup fees for domains are recognized immediately at a specific point in time.

IONOS acts as an agent in relation to certain products. Accordingly, the company recognizes sales commissions with service provision in sales revenue. The sales revenues from these products were therefore presented net and recognized at a point in time.

Revenues from the performance-based advertising form of domain marketing represent a further revenue group. In domain marketing, the IONOS Group (via Sedo GmbH) operates a trading platform for the secondary domain market (domain trading). At the same time, the company offers domain holders the opportunity to market unused domains to advertisers (domain parking). In addition to these customer domains, the company also holds its own portfolio of domains that can be sold or marketed. In domain trading, the company receives commissions when a domain is sold via the trading platform and also generates revenue from services relating to domain valuation and transfer. The sales commissions and services are generally calculated as a percentage of the sales price achieved, while the other services are usually fixed prices. In the case of domain parking, marketing (primarily via co-operations with search engines) is mainly carried out via text links, i.e., via references on the parked domains to the advertisers' offers. The company receives monthly performance-related remuneration from the co-operation partner based on the clicks generated, which are determined by the co-operation partner.

The company recognizes sales commissions in revenue when the service is rendered. Revenue is therefore recognized after the transaction has been completed or the service has been provided. The remuneration credited by the cooperation partners is recognized monthly in the revenue from domain parking.

Income from services in the areas of development, sales, data center, administration and product management and cost allocations to group companies of the United Internet Group that are not part of the IONOS consolidation group are recognized in accordance with IFRS 15 as soon as the performance obligations are fulfilled. This is usually done on a time-related basis, with the provision of services and billing coinciding. For reasons of clarity, the disclosure in the consolidated statement of comprehensive income is made separately under the item “Revenues from related parties”.

A contract asset is recognized if IONOS has recognized revenue before the customer has made a payment or before the conditions for invoicing and thus for the recognition of a receivable have been met.

A contract liability is recognized if the customer has made a payment or a receivable from the customer becomes due before IONOS fulfills a contractual performance obligation and thus recognizes revenue.

Specifically, the revenues of the segments are realized according to the following aspects:

“Digital Solutions & Cloud” segment

The “Digital Solutions & Cloud” segment combines the “Web Presence & Productivity” and “Cloud Solutions” business units.

The Web Presence & Productivity unit is the core business, offering traditional web hosting. IONOS offers its customers tailored products that enable them to easily set up an online presence. By contrast, the Cloud Solutions unit focuses on customizable server products to meet the growing demand.

In the Web Presence & Productivity unit, IONOS offers professional solutions for online presence, such as domain registration, web hosting, website builders with artificial intelligence support, and dedicated servers. These are complemented by additional productivity products (e.g., e-commerce, e-mail and marketing applications) and value-added services such as search engine optimization, business applications, and storage and security solutions. In addition to the main international brand IONOS, the product portfolio is marketed to specific target groups via differently positioned brands such as STRATO, arsys, fasthosts, home.pl and World4You, which benefit from competitive advantages in their local markets due to their respective market shares. In addition, there are brands with extensive domain expertise, such as United Domains and InterNetX, which offer professional services related to active domain management.

With its focus on SMEs in the Web Presence & Productivity unit, IONOS operates in a market that is very fragmented on the customer side. On the product side, these customers typically depend on the products offered by IONOS, as these are essential for sales and sales support. In addition, in most cases the products account for only a small portion of an SME's costs and are usually paid for monthly by the customer. For example, it is rather unlikely that a small SME would stop operating its website for cost reasons or regularly compare prices with comparable but lesser-known providers in order to switch providers. Instead, such companies often prioritize the reliability and stability of their existing website over potential cost savings.

The cloud solutions offering includes both public and private cloud solutions with a wide range of services in the area of Infrastructure-as-a-Service (“IaaS”), Platform-as-a-Service (“PaaS”) and Software-as-a-Service (“SaaS”).

IONOS focuses on providing scalable and high-performance cloud services for small and medium-sized companies, as well as large customers looking for flexible and cost-efficient solutions for their web presence and work productivity. The group also offers its solutions to the public sector. IONOS' customized VPS, cloud servers, and PaaS, IaaS, and SaaS offerings are critical to the smooth operation and rapid growth of these companies, with state-of-the-art hardware and reliable support providing a solid foundation for their digital business success. In view of the strategic relevance of IONOS cloud solutions, it is unlikely that customers will switch providers, as the reliability of these services is indispensable for their day-to-day business and switching often involves disproportionate migration efforts.

“AdTech” segment

The AdTech segment (formerly referred to as the “Aftermarket” unit) represents the secondary market for the use and trading of domains. The product portfolio is marketed primarily under the Sedo brand

The AdTech business essentially allows domain owners to generate revenue from domains they are not currently using, by “parking” these domains and generating revenue from advertising links.

IONOS acts as a domain parking provider and places targeted advertising on the domains in an automated manner, operates the technical platform, and optimizes traffic. IONOS receives compensation from the advertising networks when visitors click on the placed advertising links. IONOS acts as an integrator with the technical platform because IONOS can directly influence revenues by optimizing traffic and monetization, as well as the possibility of pricing with the owners of the parked domains. In this way, the domain owners benefit from the click-through rate of the advertising and are remunerated by IONOS.

In addition, revenues are increasingly being generated by the “RSOC” (Related Search On Content) product provided by Google, in which IONOS operates a platform for monetizing traffic via advertising links. As an alternative to domain parking, the sale or rental of domains can also be pursued, with IONOS acting as a broker. IONOS offers suitable solutions through the Sedo brand via the company's own marketplace, where domains can be offered at attractive prices or sold in an auction format. With over 22 million listed and already registered domains, Sedo operates one of the largest trading platforms for internet addresses. In addition to the traditional brokerage business, additional services are offered, such as the brokerage service, the creation of domain valuations and the transfer service. The brokerage business is remunerated mainly on a commission basis, while other ancillary services are remunerated through fees. Domain trading is particularly interesting for companies with strong brands, which often require domains to protect their brand and strengthen their online presence.

For further information, please refer to note 5.

Foreign currency translation

The consolidated financial statements are prepared in euros, the functional and presentation currency of the company. Each company within IONOS determines its own functional currency. The items included in the financial statements of the respective company are valued using this functional currency. Foreign currency transactions are initially translated into the functional currency at the spot rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency at each reporting date using the closing rate. All exchange differences are recognized in profit or loss. Excluded from this rule are exchange differences on foreign currency borrowings to the extent that they are used to hedge a net investment in a foreign operation. These are recognized directly in equity until the disposal of the net investment and are recognized in profit or loss only upon their disposal. Deferred taxes arising from these exchange differences are also recognized directly in equity. Non-monetary items that were valued at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Non-monetary items that are valued at fair value in a foreign currency are translated at the exchange rate that was valid at the time the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are accounted for as assets and liabilities of the foreign operation and translated at the closing rate.

The assets and liabilities of foreign operations are translated into euros at the closing rate. Income and expenses are translated at the exchange rate on the date of the transaction (for practical reasons, a weighted average exchange rate is used for translation if exchange rates do not fluctuate greatly). The resulting translation differences are recognized as a separate component of equity. The cumulative amount recognized in equity for a foreign operation is recognized in profit or loss upon the disposal of that foreign operation.

The exchange rates of the main currencies developed as follows:

	Closing rate		Average rate	
(in relation to €1)	Dec. 31, 2024	Dec. 31, 2023	2024	2023
US dollar	1.041	1.108	1.082	1.081
UK pound	0.830	0.869	0.900	0.870
Polish zloty	4.271	4.342	4.306	4.539

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on a straight-line basis in accordance with its useful life and the expenses are allocated in line with functional costs. Depreciation of property, plant and equipment is based on the following useful lives:

Property, plant and equipment	**Useful life in years**
Leasehold improvements	Up to 10
Motor vehicles	5 to 6
Operating and office equipment	2 to 15
Office furniture and fixtures	3 to 15
Servers	4 to 5

The residual values, useful lives and amortization methods are reviewed at the end of each fiscal year and adjusted if necessary.

Leasehold improvements are included in the "Changes in intangible assets and property, plant and equipment" under "1. Land and buildings", while motor vehicles, operating and office equipment, office furniture and servers are included under "2. Operating and office equipment".

If there are indications of impairment, an impairment test is carried out. If impairment is necessary, it is recognized in the functional areas to which the asset in question was allocated.

An item of property, plant and equipment is derecognized either upon disposal or when no further economic benefit is expected from the continued use or sale of the asset. The gains or losses resulting from the disposal of the asset are recognized in the statement of comprehensive income.

For property, plant and equipment acquired as part of company acquisitions, the remaining useful life to be applied in each case is determined primarily on the basis of the aforementioned useful lives and the useful lives already elapsed at the time of acquisition.

Impairment tests and the recognition of impairment losses and reversals of impairment losses are carried out in accordance with the procedure for intangible assets with finite useful lives.

Intangible assets

The Group has control over an asset if it is in a position to obtain the future economic benefits that flow from the underlying resource, and it can restrict third parties' access to these benefits.

- ### Recognition and initial measurement of acquired intangible assets

Individually acquired intangible assets are initially recognized at cost. Intangible assets recognized as part of business combinations are initially recognized at fair value. If the sum of acquisition costs, the value of non-controlling interests and equity interests held prior to the acquisition date exceeds the fair value of the identifiable assets less liabilities and contingent liabilities, goodwill is recognized as an asset.

The intangible assets acquired by the Group are mainly customer bases acquired as part of business combinations and software/licenses. These assets have a finite useful life. Intangible assets also include those with an indefinite useful life. These are mainly brand rights and goodwill acquired as part of business combinations.

- **Recognition and initial measurement of internally generated intangible assets**

In the case of internally generated intangible assets, the expenditure for the development phase is capitalized if a clear allocation of expenses is possible and both the technical feasibility and the marketing, or in the case of future internal use, the benefit of the newly developed products are ensured (IAS 38.57). It must also be sufficiently probable that the development activity will lead to future economic benefits. Capitalized development costs include all direct costs and overheads directly attributable to the development project. In the case of IONOS, this is essentially a standardized Group billing system.

In the fiscal year, €2,453k (previous year: €3,152k) was capitalized here. IONOS does not engage in traditional research and development, meaning that no expenses attributable to this area are recognized.

- **Subsequent measurement**

Acquired and internally generated intangible assets with finite useful lives are amortized on a straight-line basis over the period of use. Capitalized development costs are amortized from the date on which the asset can be used. Amortization is recognized under the expense category that corresponds to the function of the intangible asset in the company.

Scheduled amortization is based on the following useful lives:

	Useful life in years
Trademarks	Indefinite
Customer base	4 to 14
Software/licenses	3 to 5
Internally generated intangible assets	6 to 15
Other intangible assets (domain addresses)	Indefinite

For intangible assets with a finite useful life, indications of impairment are identified on an ad hoc basis and, if there are any, an impairment test is carried out. If the reasons for impairment no longer apply, the impairment loss is reversed to amortized cost. During the development phase of capitalized development costs, an impairment test is carried out at least once a year.

Intangible assets with an indefinite useful life are not amortized but tested for impairment at least once a year or whenever events or changes in circumstances indicate that the carrying amount may be impaired. The useful life of an intangible asset with an indefinite useful life is reviewed once a year to determine whether the assessment of the indefinite useful life is still justified. If this is not the case, the assessment is changed from an indefinite useful life to a finite useful life on a prospective basis. An impairment test is performed at the level of the individual asset or at the level of the cash-generating unit. To determine a possible impairment, the carrying amount is compared with the recoverable amount.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. As no separate cash inflows generated independently of other assets can be allocated to goodwill, impairment must be tested on the basis of the superordinate groups of cash-generating units of assets. Goodwill is allocated to the group of cash-generating units that is expected to benefit from the synergies of the business combination from which the goodwill arose.

The recoverable amount of an asset or a cash-generating unit is the higher of the fair value of an asset or a cash-generating unit less costs to sell and the value in use. To determine the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations with regard to the interest effect and the specific risks of the asset. An appropriate valuation model is used to determine the fair value less costs to sell. This is based on DCF models, valuation multipliers, stock market prices of exchange-traded subsidiaries, or other available fair value indicators. If the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and written down to the recoverable amount. An impairment loss recognized for goodwill may not be reversed in subsequent reporting periods. The Group performs an annual impairment test on goodwill and other intangible assets with indefinite useful lives and capitalized costs during the development phase as at the balance sheet date.

Shares in associated companies

Investments in associates are accounted for using the equity method. An associated company is a company over which the Group has significant influence, and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over the decision-making processes.

Under the equity method, shares in an associated company are recognized in the balance sheet at acquisition cost plus any changes in the company's share of the net assets of the associated company occurring after the acquisition. The goodwill associated with an associated company is included in the carrying amount of the investment.

The financial statements of the associated company are generally prepared as at the same balance sheet date as the financial statements of the parent company.

Costs to obtain a contract

Additional costs incurred in initiating a contract with a customer (e.g., sales commissions) are capitalized if the Group expects to recover these costs.

Capitalized contract initiation costs are amortized over the estimated useful life. They are recognized in the balance sheet under deferred expenses. The amortization of contract initiation costs is reported underselling expenses.

The amortization periods applied for the contract initiation costs are 1 to 5 years.

Leases

A lease exists when the lessor transfers the right to use a clearly specified asset to the lessee for a certain period of time in return for payment of a fee. The IONOS Group acts as lessee and lessor.

- IONOS as lessee

The present value of future lease payments is recognized as a lease liability and reported under other financial liabilities. Lease payments include fixed payments (including de facto fixed payments) less any lease incentives to be received, variable lease payments linked to an index or interest rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it, and penalties for canceling the lease if the term takes into account that the Group will exercise the cancellation option. Variable lease payments that are not linked to an index or interest rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

The lease payments are divided into repayment and interest components using the effective interest method. The present value is determined by discounting using an incremental borrowing rate of interest equivalent to the risk and term. To determine the incremental borrowing rate, reference interest rates for a period of up to 15 years are derived from risk-free interest rates with matching maturities, increased by credit risk premiums and adjusted by a liquidity and country risk premium.

Corresponding to the lease liability, the right to use the leased asset is capitalized in property, plant and equipment at the beginning of the lease. The costs of right-of-use assets include the recognized lease liabilities, the initial direct costs incurred, the lease payments made on or before provision, and dismantling costs less any lease incentives received.

Right-of-use assets are amortized on a straight-line basis over the term of the lease as follows:

	Useful life in years
Land and buildings	1 to 12
Operating and office equipment	1 to 5

The practical expedient under IFRS 16.5 is utilized for leases of low value and for leases with a term of less than twelve months. The IONOS Group has only a small number of such leases, which mainly relate to office equipment. Furthermore, the accounting provisions of IFRS 16 are not applied to leases of intangible assets. Contracts may contain both lease and non-lease components. Non-lease components are generally separated from lease components and recognized as an expense.

The leases in which the IONOS Group is the lessee mainly relate to the rental of buildings and vehicles. In the case of buildings, various leased objects such as space (office space, data center space, storage space or parking spaces, etc.) can be the subject of a contract.

The majority of leases contain extension and cancellation options. The Group determines the term of the lease based on the non-cancellable basic term of the lease and taking into account the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise this option, or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise this option. All relevant facts and circumstances that provide an economic incentive to exercise existing options are taken into account. To determine the term, terms until 2033 and 2035 were assumed for the strategic locations in Montabaur and Karlsruhe.

- IONOS as lessor

IONOS also acts as a lessor in the subleasing of office buildings to subsidiaries of the United Internet Group, which are not part of the Group's scope of consolidation. The classification of this sublease agreement is based on the right-of-use asset from the main lease. As the term of the sublease corresponds to that of the main lease, the lease from the sublease is classified as a finance lease. The pro rata right of use is derecognized, and a receivable is recognized in the amount of the net investment value. Payments by the lessee are treated as repayments of principal or interest income. The current portion of the net investment in the lease is recognized as current trade receivables and the non-current portion as receivables from finance leases.

The dedicated server offering does not constitute a lease as defined by IFRS 16 because IONOS has a substantial right to substitute the server components. With a dedicated server, the customer is provided with a specific service exclusively, but not with a specific server with clearly defined components.

Financial instruments

Financial assets and liabilities are recognized and measured in accordance with the provisions of IFRS 9 and are recognized on the date on which the Group becomes a contracting party. Regular way purchases are recognized on the trade date. Financial instruments are initially recognized taking transaction costs into account, unless they are recognized at fair value through profit or loss.

Financial assets

The classification of financial assets for subsequent measurement into amortized cost (ac), fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL) is based on the business model and the characteristics of the cash flows.

If a financial asset is held to maturity with the aim of collecting contractual cash flows and the cash flows of the financial asset represent solely payments of principal and interest, it is measured at amortized cost (ac).

The Group's financial assets comprise cash and cash equivalents, trade receivables and receivables from related parties, loans granted and other financial assets and are measured in full at amortized cost. With the exception of trade receivables, they are initially recognized at fair value. The fair values recognized in the balance sheet generally correspond to the market prices of the financial assets.

Cash and cash equivalents consist of bank balances, other financial investments, cheques and cash in hand, all of which have a high degree of liquidity and a remaining term of less than three months from the date of acquisition. Cash and cash equivalents are recognized at acquisition cost.

Trade receivables do not contain a significant financing component and are recognized at the transaction price upon addition.

Financial assets measured at amortized cost are measured in subsequent periods using the effective interest method and are tested for impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized if the contractual rights to receive cash flows from the financial asset have expired.

Impairment of financial assets

For trade receivables and contract assets, the Group uses a simplified (one-step) method to calculate expected credit losses, whereby a risk provision is recognized at each reporting date in the amount of the credit losses expected over the remaining term.

Expectations regarding future credit losses are formed on the basis of regular reviews and assessments as part of credit monitoring. Historical data is regularly used to derive correlations between credit losses and various factors (e.g., payment agreement, overdue status, dunning level, etc.). Future credit losses are estimated on the basis of these correlations, supplemented by current observations and forward-looking assumptions regarding the portfolio of receivables and contract assets held as of the reporting date.

The Group's operating business is essentially in the mass customer business. Default risks are therefore taken into account by means of specific valuation allowances and generalized specific valuation allowances. Specific valuation allowances for overdue receivables are mainly recognized depending on the age structure of the receivables with different valuation discounts, which are mainly derived from the success rates of the collection agencies commissioned to collect overdue receivables. Trade receivables that have been written off in full are derecognized 180 days after they are handed over for collection if there is no positive feedback from the collection agency and no unexpected payment is received from the customer for an impaired receivable, or if the customer's inability to pay is known before or after handover to the collection agencies.

Financial liabilities

Financial liabilities include, in particular, trade payables, lease liabilities, liabilities to banks and liabilities to related parties (operating and loan liabilities). With the exception of lease liabilities, financial liabilities are allocated either to the category of financial liabilities measured at fair value through profit or loss or to financial liabilities measured at amortized cost.

Contingent purchase price liabilities from the acquisition of a subsidiary are recognized at fair value through profit or loss. All other financial liabilities are allocated to the category of financial liabilities measured at amortized cost. These are measured at fair value, taking transaction costs into account. In subsequent periods, these financial liabilities are generally recognized at amortized cost using the effective interest method. Amortization using the effective interest method is included in the income statement as part of finance costs.

A financial liability is derecognized when the underlying obligation is discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Relationships with related parties

IONOS offers related companies administrative services or its hosting products. This includes the areas of development, sales, computer center, administration and product management. It also works together with the Group cash management of United Internet AG, Montabaur, with regard to the supply of short-term funds and the investment of surplus liquidity. This generally serves the purpose of short-term financing and the short-term investment of surplus liquidity. The loans granted and funds invested as part of this business relationship are recognized as liabilities to or receivables from related parties and are generally due or available on demand. In accordance with the cash pool agreement, IONOS Holding SE, as the cash pool leader of IONOS, is authorized to draw on liquidity to finance its ongoing business, meaning that IONOS considers the cash pool transactions in this case to have the character of financing and are therefore classified as financing activities and are therefore reported in the cash flow statement under cash flow from financing activities. If there is a receivable from cash pooling at the end of the period, this surplus liquidity, on which interest is paid by United Internet AG, is deposited with the latter as an investment and thus recognized in the cash flow statement under cash flow from investing activities.

There are long-term loan agreements with United Internet AG, which are recognized in the cash flow statement under cash flow from financing activities.

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale up to the date of disposal.

The inventories of IONOS mainly consist of domains. The lower marketability of the domains is interpreted as a decreasing probability of sale, as a result of which the achievable net sales proceeds fall due to the higher costs up to the time of sale in conjunction with a lower sales price expectation.

After a holding period of seven years, the probability of sale is categorized by IONOS as tending towards zero and is assumed to be zero for simplification purposes.

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If IONOS expects at least a partial reimbursement for a provision recognized as a liability (e.g., for an insurance contract), the reimbursement is only recognized as a separate asset if the inflow of the reimbursement is virtually certain. The expense from the creation of a provision is recognized in profit or loss after deduction of the reimbursement.

Provisions are measured at present value on the basis of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provisions exist in particular for restoration obligations in connection with rented office space.

Share-based payment

As remuneration for the work performed, employees and members of the Group's Management Board receive share-based remuneration in the form of equity instruments and in the form of the granting of stock appreciation rights, which can be settled in cash or equity instruments at the company's discretion. Agreements on stock appreciation rights, which are to be settled in cash, only exist with employees in the new remuneration plan launched in the 2021 fiscal year. The Group's obligation is recognized as other provisions in accordance with the provisions of IFRS 2. In all other IONOS agreements, there is currently no obligation to settle in cash, meaning that the relevant share-based payment transactions are recognized as equity-settled transactions.

For obligations from the granting of share-based payments to employees that are settled in cash, the fair value of the liability is recalculated on each balance sheet date and at the time of payment. In order to estimate the fair value, a suitable valuation method must be determined for the granting of these instruments; this depends on the contractual conditions. It is also necessary to determine suitable data to be included in this valuation method, including in particular the expected option term, volatility, exercise behavior and dividend yield as well as corresponding assumptions. Expenses resulting from the granting of share-based payments and the corresponding increase in the provision are recognized over the period in which the exercise or performance conditions must be fulfilled (vesting period). This period ends on the date of the first exercise option, i.e., the date on which the employee in question becomes irrevocably entitled to receive the shares.

The costs from equity-settled agreements are measured at the fair value of these equity instruments at the time they are granted. The fair value is determined using a suitable option pricing model; the Black-Scholes model and the Monte Carlo simulation are used here. The expected exercise volume is reassessed at each balance sheet date, and the addition is adjusted accordingly. Any necessary adjustments are recognized in the period in which new information on the exercise volume becomes available. Expenses resulting from the granting of equity-settled agreements and cash-settled agreements are recognized over the period in which the associated work is performed (vesting period). This period ends on the date on which all vesting conditions (service and performance conditions) are met, i.e., the date on which the employee in question becomes irrevocably entitled. The cumulative expenses recognized on each balance sheet date up to the date of the first exercise option reflect the portion of the vesting period that has already expired and the number of promised rights that, according to the Group's best estimate, will actually become exercisable at the end of the vesting period. A fluctuation probability of 0% is applied in each case. The income or expense recognized in personnel expenses in the result for the period corresponds to the development of the cumulative expenses recognized at the beginning and end of the reporting period.

When granting new equity instruments as a result of the cancellation of previously granted equity instruments, IFRS 2.28(c) requires a review of whether the newly granted equity instruments represent a replacement for the previous or cancelled instruments.

In the case of classification as a replacement, the new equity instruments are recognized in the same way as a modification of the originally granted instruments. New equity instruments that were not granted as a replacement for cancelled equity instruments are recognized as newly granted equity instruments. The benefits received are recognized at least at the fair value determined on the grant date (of the original instruments). If the changes are advantageous to the employee, the additional fair value of the new equity instruments is determined and recognized as an additional expense over the vesting period. The additional fair value is determined from the difference between the fair value of the equity instruments designated as replacements and the net fair value of the cancelled equity instruments on the grant date of the replacement instruments.

Financial income

Interest income is recognized when the interest has accrued. Measurement is based on the effective interest rate, i.e., the discount rate used to discount estimated future cash inflows over the expected term of the financial instrument to the net carrying amount of the financial asset. Dividend income is recognized when the legal entitlement to payment arises.

Current and deferred taxes

The tax expense for a period is made up of current taxes and deferred taxes. Current taxes are measured at the amount expected to be refunded by the tax authorities or paid to the tax authorities. The calculation of the amount is based on the tax rates and tax laws that apply or will soon apply on the reporting date in the countries in which the Group operates and generates taxable income.

Deferred taxes are recognized using the liability method on temporary differences at the balance sheet date between the carrying amount of an asset or liability in the balance sheet and its tax base, unless the difference in carrying amounts results from the initial recognition of goodwill and would give rise to deferred tax liabilities or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss for the period under IFRS nor taxable profit or loss. Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associates are recognized unless the timing of the reversal of the temporary differences can be determined within the group and it is probable that the temporary differences will not reverse in the foreseeable future due to this influence.

In addition, deferred tax assets are recognized for expected tax benefits from the future use of tax interest carryforwards. The calculation is based on the tax rates applicable on the reporting date, unless a tax rate change has already been decided for the period of the expected reversal of the temporary differences or the expected utilization of loss carryforwards and tax credits. Deferred tax assets are only recognized if it appears highly probable that the tax benefits will be realized within the planning horizon.

Changes in recognized deferred taxes lead to deferred tax expense or income. If the change in deferred taxes results from items recognized in other comprehensive income, the deferred taxes and their changes are also recognized in other comprehensive income.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized, at least in part. Unrecognized deferred tax assets are reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are netted for each company or tax group if they relate to income taxes levied by the same tax authority and IONOS has a legally enforceable right to offset actual tax refund claims against actual tax liabilities.

Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to the holders of registered shares by the weighted average number of shares issued for the period.

Diluted earnings per share are calculated in a similar way to earnings per share, with the exception that the average number of shares issued is increased by the proportion that would have resulted if the exercisable subscription rights resulting from the employee share ownership program had been exercised.

Summary of measurement principles

The Group's valuation principles are summarized and simplified as follows - provided there are no impairments:

Balance sheet items	Measurement
ASSETS	
Cash and cash equivalents	Amortized cost
Trade accounts receivable	Amortized cost
Receivables from related parties	Amortized cost
Finance lease receivables	Amortized cost
Contract assets	Amortized cost
Intangible assets	
with finite useful lives	Amortized cost
with indefinite useful lives	Impairment-only approach
Property, plant and equipment	Amortized cost
Investments in associated companies	Equity method
Other financial assets	
Equity instruments	Financial assets designated at fair value through other comprehensive income without reclassification of cumulative gains and losses on derecognition
Other	Amortized cost
Inventories	Lower of cost and net realizable value
Prepaid expenses	Amortized cost
Income tax claims	Expected payment from the tax authorities based on tax rates enacted or substantively enacted on the reporting date
Other non-financial assets	Amortized cost
Deferred tax assets	Undiscounted measurement at tax rates valid in the period in which an asset is realized, or a liability settled
LIABILITIES	
Liabilities due to banks	Amortized cost
Deferred tax liabilities	Undiscounted measurement at tax rates valid in the period in which an asset is realized, or a liability settled
Income tax liabilities	Expected payment to the tax authorities based on tax rates enacted or substantively enacted on the reporting date
Trade accounts payable	Amortized cost
Liabilities to related parties	Amortized cost
Contract liabilities	Amortized cost
Other provisions	Expected discounted amount that will lead to outflow of resources
Other non-financial liabilities	
Contingent purchase price liabilities	Fair value through profit or loss
Other	Amortized cost
Other non-financial liabilities	Amortized cost

Effects of new or amended IFRS

The following standards were applied for the first time for the fiscal year from January 1, 2024:

Standard		Mandatory application for fiscal years starting from	Takeover by EU Commission
IAS 1	Amendment: Clarification of the criteria for classifying liabilities as current or non-current and clarification of long-term liabilities with covenants	Jan. 1, 2024	Yes
IFRS 16	Amendment: Lease liabilities in the case of a sale and leaseback transaction	Jan. 1, 2024	Yes
IAS 7, IFRS 7	Amendment: Disclosure of supplier financing agreements	Jan. 1, 2024	Yes

These changes had no material impact on the consolidated financial statements and are not expected to have a material impact on the Group in the future.

Accounting standards already published but not yet mandatory

In addition to the aforementioned mandatory IFRSs, the IASB has published further IFRSs and IFRICs, some of which have already been endorsed by the EU, but whose application is not mandatory until a later date. IONOS Group SE will probably only implement these standards in the consolidated financial statements at the time of mandatory application.

Standard		Mandatory application for fiscal years starting from	Takeover by EU Commission
IAS 21	Amendment: insufficient convertibility of a currency	Jan. 1, 2025	Yes
Changes to : IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements Project 2024	Jan. 1, 2026	No
IFRS 9, IFRS 7	Amendment: Classification and Measurement of Financial Instruments	Jan. 1, 2026	No
IFRS 18	Amendment: Replaces IAS 1. This standard governs the presentation and disclosure of information in financial statements.	Jan. 1, 2027	No
IFRS 19	Amendment: Enabling reduced disclosure requirements for subsidiaries without public accountability	Jan. 1, 2027	No
Annual Improvements to IFRSs – Volume 11	Amendments: IFRS 1 (Hedge Accounting for a first-time adopter of IFRS), IFRS 7 (Gain or loss on derecognition, disclosures about credit risk and when the transaction price is not fair value), IFRS 9 (Determining the transaction price and derecognizing a lease liability), IFRS 10 (Determining whether an agent is a de facto agent), IAS 7 (acquisition-related costs)	Jan. 1, 2026	No

The new accounting standard IFRS 18 replaces the previous IAS 1 – Presentation of Financial Statements. The aim is to improve the structure and comparability of financial reporting.

The main changes resulting from IFRS 18 include:

- Introduction of mandatory subtotals in the income statement, such as “operating profit before financing and taxes”, and a breakdown into clearly defined categories (operating, investing, financing).
- Enhanced disclosure of company-specific key performance indicators (“management performance measures”) used in public communications to present management's financial perspective.
- New principles for aggregating and disaggregating financial items to provide more detailed and consistent reporting.
- Adjustments in the cash flow statement, in particular to standardize the presentation, including the elimination of certain disclosure options.

It is expected that the application of IFRS 18 will have a significant impact on the consolidated financial statements – particularly on the presentation of the consolidated income statement. The specific effects are currently being analyzed as part of a Group-wide implementation project.

The other IFRS changes that have already been published but are not yet applicable are not expected to have any significant impact on the group.

3. Significant judgments and accounting estimates

In preparing the consolidated financial statements, management makes judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date.

Significant judgments, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

Overall economic situation

Society, politics, the economy and the climate are currently facing complex macroeconomic challenges that do not leave Germany untouched as a major economy. The country's low growth expectations are causing a decline in business and consumer confidence. However, digitization remains an important driver for the economy and offers companies like IONOS great opportunities for growth and innovation. IONOS remains well positioned in the digital sector to benefit from the digital transformation.

Impact of climate change

Environmental and social concerns can impact the recoverability of the Group's assets in a variety of ways. These risks also include rising energy prices for renewable energies to operate our data centers. An increase in extreme weather events at certain locations could also cause damage to the data centers and potential interruptions in customer service. The company currently assumes that the effects caused by environmental and social concerns will not have a material impact on impairment tests or the consolidated financial statements.

Implications of the US election

The election of Donald Trump as President of the United States in November 2024 also had an impact on the German market. Trump's announcement that he would reconsider trade relations with China and impose tariffs on imports from China led to uncertainty in the global financial markets and to a devaluation of the euro against the US dollar. However, these geopolitical changes make digitization and sovereignty in Europe and the use of European digitization and cloud providers all the more important. IONOS does not currently expect the geopolitical effects to have a significant negative impact on the development of the company's industry. Management will monitor further developments closely and take appropriate countermeasures if necessary.

Impact of the war in Ukraine

The ongoing war in Ukraine is having a negative impact on the overall economic development of the European market. Energy prices, inflation and interest rates remain at a high level. The re-inauguration of Donald Trump as US President may have a strong influence on the outcome of the conflict. IONOS' current forecast predicts a moderate increase in energy prices, which has already been incorporated into corporate planning.

Consequences of information security risks

In order to strengthen its defenses against cyberattacks, IONOS responded to this security risk last year by investing in monitoring techniques, conducting regular security audits, and training its employees. As a result, the risk is now only classified as moderate.

Revenue recognition

Customer contracts in the web hosting product category generally comprise several separate service obligations that are to be realized both at a specific time (domain registration service obligation) and over a specific period of time (webspace and SaaS service obligation). The total remuneration from the customer contract is therefore divided between the different service obligations. Due to the lack of separate individual sales prices for webspace and SaaS and the high variability of prices, the residual method is used to allocate the total fee. The share of revenue attributable to the period-related services is therefore calculated on the basis of the total fee less the stand-alone selling price of the domains included. The stand-alone selling prices for domains are derived from the company's sales, which are based on assumptions and estimates. Changes to these assumptions and estimates can therefore also have an impact on the amount and timing of revenue recognition.

The guiding principle for determining whether a company is acting as a headmaster or as an agent is whether it has control over the specified good or service before transferring it to the customer. When examining the question of control, significant judgments often have to be made. This applies in particular to services in connection with the marketing of websites and the sale of products and services from third-party providers by the Group.

In the Digital Solutions & Cloud segment, the underlying terms of new partners or third-party services newly integrated into the product portfolio, such as third-party licenses (e.g., Microsoft Office licenses), are systematically analyzed to determine whether IONOS acts as principal or agent. The classification of the contract and the related question of whether revenue for the brokered service is to be recognized in full gross (IONOS is principal) or net in the amount of the relevant brokerage fee (IONOS is agent) is determined as an overall assessment, taking into account all relevant contractual provisions. In doing so, the contractual conditions are evaluated, particularly with regard to the characteristic of power of disposal. If licenses or services are already available to IONOS itself before a contract is concluded with customers, i.e., IONOS itself has power of disposal before brokering to its customers and can use the licenses itself without further release, this indicates a principal position. In cases in which the license or service agreement with the IONOS customer must first be confirmed by the actual licensor or released by the third-party provider, however, an agent position is typically assumed. In addition, the extent to which the service is integrated into IONOS's sales and customer systems is being examined. Additional criteria in the overall assessment include the degree of flexibility with regard to tariff and price structuring.

The approach is similar for the AdTech segment. Here, too, a systematic analysis is used to evaluate whether the provisions of the respective contract or contract portfolio lead to an assessment as principal or agent with the corresponding consequences for the presentation of revenues. In the area of domain parking, the evaluation shows that IONOS is acting as the principal, since it is not a pure brokerage transaction. Rather, a platform is provided on which IONOS places advertising on the parked domains, and the domain owner participates in its success. IONOS acts as the sole contractual partner vis-à-vis the advertising partners (e.g., Google) and the domain owners. Since IONOS maintains the platform and has a fundamental right to choose the advertising partners and pricing, IONOS has power of disposition in the area of domain parking. In contrast, IONOS also offers the platform for domain trading, but pricing and the conclusion of contracts usually take place between the buyer and seller of the domain, without IONOS having a right to intervene. IONOS thus acts as an agent in this area.

Cost to obtain a contract

The determination of the estimated amortization periods for contract initiation costs is based on past experience and is subject to significant uncertainties, particularly with regard to unforeseen customer or technological developments. A change in the estimated amortization periods affects the timing of expense recognition. The carrying amount of capitalized contract initiation costs amounted to €37,070k as of December 31, 2024 (previous year: €23,874k).

Impairment of non-financial assets

The Group tests goodwill and other intangible assets with an indefinite useful life for possible impairment at least once a year and whenever there are indications of impairment. The recoverable amount of the corresponding cash-generating unit to which the goodwill or intangible assets are allocated is determined either as the "value in use" or as the fair value less costs to sell.

The carrying amount of goodwill is €830,144k (previous year: €826,271k). The carrying amount of intangible assets with indefinite useful lives amounts to €55,903k as of December 31, 2024 (previous year: €54,018k).

To estimate the value in use or fair value less costs to sell, management must estimate the expected future cash flows of the asset or cash-generating unit and select an appropriate discount rate to determine the present value of these cash flows. For further details, including a sensitivity analysis of the key assumptions, please refer to the note "Goodwill and impairment of goodwill and intangible assets with indefinite useful lives" under note 29.

The key assumptions made by management with regard to determining the recoverable amount of the cash-generating units include assumptions regarding the development of sales and the discount rate.

Share-based payment

For share-based payment agreements, the costs from equity-settled agreements are measured at the fair value of these equity instruments at the time they are granted. For agreements that are recognized as cash-settled share-based payment transactions, the fair value of the liability is recalculated on each balance sheet date and at the time of payment. In order to estimate the fair value, a suitable valuation method must be determined for the granting of equity instruments; this depends on the contractual conditions. It is also necessary to determine suitable data to be included in this valuation method, including in particular the expected option term, volatility, exercise behavior and dividend yield as well as corresponding assumptions. A change in these assumptions can lead to significant personnel expenses in subsequent years.

Expenses of €5,692k (previous year: €5,879k) were incurred in the fiscal year for share-based remuneration (Long-term Incentives Program).

Taxes

Uncertainties exist with regard to the interpretation of complex tax regulations and the amount and timing of future taxable income. As a result, and given the complexity of existing contractual agreements, it is possible that differences between the actual results and the assumptions made or future changes to such assumptions may require future adjustments to the tax income and tax expense already recognized. Based on reasonable estimates, the Group recognizes liabilities for the possible effects of external tax audits in the countries in which it operates.

The amount of such liabilities is based on various factors, such as experience from previous tax audits and different interpretations of tax regulations by the taxable entity and the relevant tax authority. Such different interpretations can arise from a variety of different facts, depending on the conditions prevailing in the home country of the respective group company. The carrying amount of income tax liabilities as of December 31, 2024, was €35,798k (previous year: €21,982k), which is mainly attributable to current income taxes for the 2024 fiscal year.

Deferred tax assets are recognized for unused interest carryforwards to the extent that it is probable that taxable income will be available for this purpose so that the interest carryforwards can actually be used. In determining the amount of deferred tax assets that can be capitalized, management must exercise significant judgment regarding the expected timing and amount of future taxable income and future tax planning strategies. As of December 31, 2024, deferred tax assets on interest carryforwards amounting to €64,685k (previous year: €66,766k) have been capitalized.

Trade receivables and contract assets

Trade receivables and contract assets are recognized in the balance sheet net of any valuation allowances. Allowances for doubtful accounts are recognized based on expected credit losses determined from regular reviews and assessments performed in the course of credit monitoring. The assumptions made in this regard regarding payment behavior and customer creditworthiness are subject to significant uncertainties. The carrying amount of trade receivables as of December 31, 2024, was €91,492k (previous year: €73,512k). The carrying amount of contract assets as of December 31, 2024, was €9,257k (previous year: €8,244k).

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are valued at acquisition or production cost on initial recognition. Property, plant and equipment and intangible assets with finite lives are then amortized on a straight-line basis over their assumed economic useful lives. The assumed useful lives are based on experience and are subject to significant uncertainties, particularly with regard to unforeseen technological developments. The carrying amount of property, plant and equipment and intangible assets with a limited useful life, and excluding advance payments as of December 31, 2024, amounts to €396,337k (previous year: €422,633k).

Right-of-use assets and lease liabilities

For the term of the lease, a right-of-use asset is recognized in the amount of the present value of the future lease payments plus initial direct costs, advance payments and dismantling costs and less incentive payments, received, which is amortized over the term of the lease. At the same time, a lease liability is recognized in the amount of the future lease payments less the interest portion. Estimates regarding future utilization are required to determine the term of leases, particularly for contracts with extension and termination options. The contracts for the business premises in Montabaur and Karlsruhe contain extension options. To determine the term of these contracts, a term until 2033 was assumed due to their strategic importance for the Group, with the exception of two contracts for buildings occupied in 2020 in Karlsruhe with an assumed term until 2035. For the contracts for office buildings at the other locations, extension options are generally not included in the determination of the term, as these assets could be replaced by the Group without significant costs.

The incremental borrowing rate is used to measure the right-of-use assets and lease liabilities. To determine the incremental borrowing rate, reference interest rates for a period of up to 12 years are derived from risk-free interest rates with matching maturities, increased by credit risk premiums.

Accounting for business combinations

Business combinations are recognized using the purchase method. Goodwill from business combinations is initially recognized as the excess of the cost of the business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Costs incurred as part of the business combination are recognized as an expense and reported under other operating expenses.

The determination of the fair values of the acquired assets and liabilities and the contingent purchase price payments as at the acquisition date is subject to significant estimation uncertainties. When identifying intangible assets, depending on the type of intangible asset and the complexity of determining the fair value, either independent appraisals by external valuation experts are used or the fair value is determined internally using an appropriate valuation technique for the respective intangible asset, which is usually based on the forecast of the total expected future cash flows generated. These valuations are closely linked to the assumptions and estimates that management has made regarding the future development of the respective assets and the discount rate to be applied.

4. Business combinations and investments

Business combinations in the fiscal year

IONOS did not acquire any shares in subsidiaries or equity investments in the 2024 and 2023 fiscal years.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

5. Segment reporting / Revenue

Segment reporting

According to IFRS 8, the identification of reportable operating segments is based on the so-called management approach. Accordingly, external reporting is based on the Group's internal organizational and management structure and the internal financial reporting to the chief operating decision maker. The function of the chief operating decision maker is exercised by the Executive Board of the Company and by the Executive Board of IONOS Holding SE, which reviews the financial information presented on a consolidated basis for the purposes of resource allocation and evaluating the financial performance of the entire Company. Accordingly, the chief operating decision makers are responsible for evaluating and managing the business performance of the segments.

The Group's operating activities are divided into the segments “Digital Solutions & Cloud” and “AdTech”.

The first segment, Digital Solutions & Cloud, consists of the Web Presence & Productivity and Cloud Solutions business units. In the Web Presence & Productivity business unit, IONOS offers its customers customized products that enable them to quickly and easily set up an online presence. The Cloud Solutions business unit, which also belongs to the Digital Solutions & Cloud segment, offers customizable server products to meet the growing demand for IT infrastructure.

The second segment is the “AdTech” business (previously referred to as the “Aftermarket”), which was presented within the “Web Presence & Productivity” unit in the previous year.

The Group's relevant performance indicators are presented in accordance with the management approach, which requires the presentation of the relevant management level on the basis of the company's internal management reporting, which is regularly reviewed by the chief operating decision maker.

The control variables used to assess performance are presented below:

- Revenue from contracts with customers
- EBITDA and EBITDA margin
- Adjusted EBITDA and adjusted EBITDA margin

Control variables by segment for the fiscal year 2024:

January to December 2024 (in €k)		Digital Solutions & Cloud segment	AdTech segment	IONOS
Total revenue		1,248,070	312,231	1,560,301
cost of sales		–538,853	–262,379	–801,232
Depreciation and amortization		111,716	330	112,046
EBITDA		**388,306**	**41,916**	**430,222**
adjusted EBITDA		**410,281**	**41,916**	**452,197**

Control variables by segment for the fiscal year 2023:

January to December 2023 (in €k)		Digital Solutions & Cloud segment	AdTech segment	IONOS
Total revenue		1,118,752	304,982	1,423,734
cost of sales		-493,944	-243,994	-737,938
Depreciation and amortization		107,502	406	107,908
EBITDA		**335,197**	**50,183**	**385,380**
Adjusted EBITDA		**339,853**	**50,443**	**390,296**

"EBITDA" is the consolidated earnings before interest, taxes, depreciation and amortization . "EBITDA margin" is the ratio of EBITDA to total sales revenue.

The EBITDA margin is calculated as follows:

in €k	2024	2023	2022
Total revenue	1,560,301	1,423,734	1,292,961
EBITDA (€k)	430,222	385,380	320,353
EBITDA margin (%)	27.6%	27.1%	24.8%
Adjusted EBITDA (€k)	452,197	390,296	345,646
Adjusted EBITDA margin (%)	29.0%	27.4%	26.7%

Adjusted EBITDA is calculated as follows:

in €k	2024	2023	2022
Pre-tax result	243,812	215,312	112,008
Share of the profit or loss of associates accounted for using the equity method	-1,757	-251	112
Finance income	5,411	31,875	9,843
Finance costs	-78,018	-93,784	-105,968
Operating result	318,176	277,472	208,021
Depreciation and amortization of intangible assets and property, plant and equipment	112,046	107,908	112,332
EBITDA	430,222	385,380	320,353
Adjustment for LTIP (1)	5,692	5,879	4,208
Adjustment for stand-alone activities (2)	10,394	9,478	13,048
Adjustment for IPO costs (3)	0	-11,719	8,829
Adjustment for consulting fees incurred for one-off projects (4)	0	0	1,118
Adjustment for sale of shares (5)	0	0	-1,910
Adjustment for severance payments (6)	5,889	1,278	0
Total adjustments	21,975	4,916	25,293
Adjusted EBITDA	452,197	390,296	345,646

(1) Includes costs for employee participation programs.

(2) Includes costs in connection with the preparation of the separation from the United Internet Group and the establishment of IONOS Group as an independent group (mainly costs for the billing carve-out project (decoupling from the billing systems of 1&1 Telecommunication SE)).

(3) Includes external costs incurred in connection with the IPO. In the 2023 fiscal year, this includes income from the recharging of costs incurred in connection with the IPO to the shareholders United Internet and Warburg Pincus.

(4) Includes expenses for consulting costs incurred for one-off projects, e.g., for reorganization measures.

(5) Includes capital gain from the sale of the 49% stake in Intellectual Property Management Company Inc., USA.

(6) Includes expenses in connection with reorganization and restructuring measures, which primarily consist of severance payments and other personnel-related costs.

The following tables show the Group's revenue from contracts with customers and the non-current assets of IONOS, broken down by the company's country of origin and other countries. In the presentation of the information on a geographical basis, the revenue from contracts with customers and the assets are based on the geographical locations of the Group companies generating the revenue and the assets respectively.

Revenue from contracts with customers based on the geographical locations of the Group companies generating the revenue:

in €k	2024	2023	2022
Germany	851,728	723,454	621,243
USA	249,035	286,762	284,879
UK	157,486	137,992	129,689
Spain	125,111	113,790	104,889
France	70,807	61,207	55,126
Poland	42,941	39,738	34,785
Austria	17,497	15,260	13,880
Total	**1,514,605**	**1,378,203**	**1,244,491**

There is no single customer with which more than 10% of external revenue are generated.

Non-current assets based on the locations of the assets:

in €k	2024	2023	2022
Germany	818,326	844,699	858,499
Poland	153,800	152,032	143,719
Spain	125,734	127,471	127,474
UK	108,743	99,633	97,551
Austria	70,384	72,102	73,079
USA	33,022	29,153	28,190
France	6,717	5,175	4,349
Philippines	1,620	1,038	1,239
Romania	3,871	1,569	2,032
Total	**1,322,217**	**1,332,872**	**1,336,132**

Non-current assets do not include any financial investments - with the exception of financial assets recognized using the equity method -, deferred tax assets or assets from employee benefits.

Revenue

IONOS' total sales revenues with third parties are distributed between Germany and abroad as follows:

in €k	2024	2023
Domestic	851,728	723,454
Foreign	662,877	654,749
Total	**1,514,605**	**1,378,203**

In the 2024 fiscal year, sales revenues from contracts with customers are distributed across the business segments of Web Presence & Productivity in the amount of €1,025,419k (previous year: €917,098k), Cloud Solutions in the amount of €176,955k (previous year: €156,123k), and AdTech €312,231k (previous year: €304,982k). In addition, following the standardization of product groups at subsidiaries in the context of the annual financial statements as of December 31, 2024, the previous year's figure for revenues for Cloud Solutions (+€6,816) and Web Presence & Productivity (-€6,816) was adjusted.

The contract balances developed as shown below in the 2024 fiscal year:

in €k	December 31, 2024	December 31, 2023	December 31, 2022
Trade accounts receivable (Note 19)	91,492	73,512	66,628
Contract assets (Note 21)	9,257	8,244	8,129
Contract liabilities (Note 33)	94,765	86,574	75,474

In the fiscal year 2024, €84,645k (previous year: €74,375k) was recognized as revenue that was included in the contract liabilities at the beginning of the fiscal year.

The total amount of the transaction price of the performance obligations not yet settled as of the end of the reporting period is €7,129k (previous year: €7,201k) as of 31 December 2024. The following table shows the periods when the realization of the transaction prices existing on the reporting date from as yet unfulfilled or partially unfulfilled performance obligations is to be expected:

Total as of Dec. 31, 2024 in €k	2025 in €k	2026 in €k	>2026 in €k
7,129	4,560	2,199	370

Total as of Dec. 31, 2023 in €k	2024 in €k	2025 in €k	>2025 in €k
7,201	2,742	1,858	2,601

The transaction prices shown relate to unfulfilled performance obligations under contracts with customers with an original contractual term of more than 12 months. They relate to service components with revenue recognition over time and to contracts for which a one-time fee was invoiced and which is recognized as revenue over the expected customer contractual term. The development of transaction prices from as yet unfulfilled or partially unfulfilled performance obligations depends on the development of the portfolio of contracts within the fiscal year.

6. Revenue from contracts with related parties

Revenues with related parties, i.e., revenues with United Internet Group companies that are not part of the Group's consolidation, amount to €45,696k (prior year: €45,531k) and largely result from internal cost allocation.
The IONOS companies provide general services in the areas of development, sales, data centers, administration, and product management for Group companies outside the scope of consolidation.

The total revenues of IONOS with related parties are distributed between Germany and abroad as follows:

in €k	2024	2023
Domestic	34,980	36,012
Foreign	10,716	9,519
Total	**45,696**	**45,531**

7. Cost of sales

in €k	2024	2023
Cost of services	531,423	492,492
Personnel expenses	121,662	110,194
Depreciation and amortization	83,142	79,734
Costs for data center operation	57,028	52,660
Other	7,977	2,858
Total	**801,232**	**737,938**

8. Selling expenses

in €k	2024	2023
Personnel expenses	136,692	131,505
Purchased marketing/advertising services	110,686	111,835
Depreciation and amortization	23,032	23,002
Commissions paid to third parties	27,494	24,039
Customer care	15,020	15,891
Product management	4,109	3,399
Other selling expenses	7,993	8,976
Total	**325,025**	**318,647**

9. General and administrative expenses

in €k	2024	2023
Personnel expenses	34,933	32,473
Services provided by third parties	20,361	19,105
Payment transaction costs	12,966	11,051
Legal and consulting fees	4,364	7,241
Depreciation and amortization	5,872	5,172
Insurance premiums	2,657	5,019
Financial statement costs	2,313	2,539
Lease expenses	3,312	1,638
Accounts receivable management	2,477	1,448
Other	11,249	11,458
Total	**100,502**	**97,144**

10. Impairment losses on receivables and contract assets

Impairment losses relate to losses on trade receivables, including income from the reversal of impairment losses as well as the impairment of contract assets and expenses from derecognition.

Impairment losses on receivables and contract assets break down as follows:

in €k	2024	2023
Trade accounts receivable	17,054	14,143
Contract assets	0	2
Total	**17,054**	**14,145**

The increase in impairment losses on trade receivables from €14,143k in the previous year to €17,054k in the 2024 fiscal year is mainly due to the weakening economic environment.

11. operating expenses / income

Other operating expenses

in €k	2024	2023
Expenses from foreign currency translation	14,097	10,062
Other taxes	2,205	2,328
Expenses relating to other periods	1,533	1,039
Losses from the disposal of property, plant and equipment and intangible assets	162	155
Other	1,130	1,215
Total	**19,128**	**14,799**

Expenses from foreign currency translation primarily include losses from changes in exchange rates between the dates of origin and payment of foreign currency receivables and liabilities, as well as exchange rate losses from valuation on the reporting date. Exchange rate gains from these items are recognized under other operating income. A net consideration results in a net loss of €–3,850k (previous year: –€692). In the fiscal year, expenses unrelated to the accounting period include expenses for currency exchange fees in the amount of €335k (previous year: €0k).

Other operating income

in €k	2024	2023
Income relating to other periods	677	14,033
Income from foreign currency translation	10,247	9,370
Income from dunning/return debit charges	2,712	2,387
Project grants	5,465	2,802
Income from allocations to affiliated companies	561	6,553
Income from the disposal of property, plant and equipment and intangible assets	254	305
Other	901	961
Total	**20,816**	**36,412**

In the previous year, income relating to other periods included income from the transfer of IPO costs to affiliated companies in the amount of €11,719k.

Income from foreign currency translation mainly includes gains from exchange rate changes between the date of origin and the date of payment of foreign currency receivables and liabilities, as well as exchange rate gains from measurement at the closing rate. Exchange rate losses from these items are recognized under other operating expenses.

Income from reminder fees and returned direct debits arises due to necessary debtor management for defaulting customers.

Income from project grants mainly includes cost sharing in projects of IONOS SE and Arsys Internet SLU.

12. Depreciation and amortization

The development of intangible assets and property, plant and equipment is presented as an appendix to the notes to the consolidated financial statements. Amortization of intangible assets and depreciation of property, plant and equipment are allocated to the functional areas as follows:

in €k	2024	2023
Cost of sales	83,142	79,734
Selling expenses	23,032	23,002
General and administrative expenses	5,872	5,172
Total	**112,046**	**107,908**

Depreciation and amortization also includes depreciation and amortization on assets capitalized as part of company acquisitions. These are allocated to the capitalized assets as follows:

in €k	2024	2023
Intangible assets		
Customer base	18,246	18,163
Software	2,344	2,265
Total	**20,590**	**20,428**

The scheduled amortization of assets capitalized as part of business combinations is distributed across the business combinations as follows:

in €k	2024	2023
STRATO	13,297	13,298
home.pl	3,017	2,862
World4You	1,847	1,847
we22	2,416	2,409
ASCI	12	12
Total	**20,590**	**20,428**

Depreciation and amortization of assets capitalized in the context of company acquisitions is distributed across the individual functional areas as follows:

in €k	2024	2023
Selling expenses	18,246	18,163
Cost of sales	2,344	2,265
Total	**20,590**	**20,428**

13. Personnel expenses

Personnel expenses for the 2024 fiscal year amount to €293,286k (previous year: €274,173k) and are distributed across the functional areas as follows:

in €k	2024	2023
Selling expenses	136,692	131,505
Cost of sales	121,662	110,194
General and administrative expenses	34,933	32,473
Total	**293,286**	**274,173**

Personnel expenses include expenses for wages and salaries amounting to €251,023k (previous year: €233,722k), social security costs of €41,135k (previous year: €39,385k), and pension costs of €1,128k (previous year: €1,066k). Personnel expenses increased by 7% from €274,173k to €293,286k in the 2024 financial year, partly due to one-off expenses for optimization measures.

The number of employees decreased by 4.2% from 4,364 in the previous year to 4,182 as of the end of the fiscal year 2024:

	2024	2023
Domestic	2,212	2,386
Foreign	1,970	1,978
thereof Philippines	505	464
thereof Spain	444	445
thereof Poland	319	339
thereof UK	242	273
thereof Romania	284	261
thereof USA	112	119
thereof Austria	55	69
thereof France	9	8
Total	**4,182**	**4,364**

The average number of employees in the fiscal year 2024 is 4,255 (previous year: 4,298), of which 2,277 are in Germany (previous year: 2,339) and almost unchanged at 1,978 (previous year: 1,959) abroad.

The Group has defined contribution plans for the company pension scheme. In the case of defined contribution plans, the company pays contributions to state pension insurance providers on the basis of statutory provisions. Once the amounts have been paid, the company has no further benefit obligations. The current contribution payments are recognized as an expense for the respective year. They totaled €12,872k in the reporting period of 2024 (previous year: €12,414k).

14. Finance costs

in €k	2024	2023
Intercompany interest and similar expenses	19,061	80,112
Subsequent measurement of a purchase price liability	15,155	7,814
Finance costs from leases	4,872	4,280
Loans and current account	38,807	1,253
Interest expense from the tax audit	79	261
Other	45	64
Total	**78,018**	**93,784**

Interest and similar expenses in the network segment mainly relate to interest in connection with the vendor loan granted by United Internet AG and from profit and loss transfer agreements and cash pool transactions with companies of United Internet AG and Group companies not included in the Group's scope of consolidation. For further explanations, please refer to Note 43.

The expenses from the subsequent measurement of a purchase price liability in the amount of €15,155k (previous year: €7,814k) result from the subsequent measurement of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG). For further information, please refer to our comments in note 36.

15. Finance income

in €k	2024	2023
Subsequent measurement of a purchase price liability	2,424	30,695
Interest income from the tax audit	54	17
Interest and similar income from related parties	2,684	890
Income from equity investments	1	0
Other finance income	247	273
Total	**5,411**	**31,875**

Income from the subsequent measurement of a purchase price liability in the amount of €2,424k (previous year: €30,695k) results from the subsequent measurement of the purchase price liability related to the acquisition of STRATO GmbH (formerly STRATO AG). For more information, please refer to our comments in note 36.

Interest and similar income from related parties relates to interest in connection with cash pool transactions with companies of United Internet AG or with Group companies that are not part of the Group's scope of consolidation. For further explanations, please refer to Note 43.

16. Income taxes

The Group's tax expenses totaling €74,140k (previous year: €41,066k) are made up as follows:

in €k	2024	2023
Germany	–55,631	–52,253
Outside Germany	–17,077	–16,697
Total current taxes	**–72,708**	**–68,950**

in €k	2024	2023
Due to tax interest carryforwards	–2,081	30,697
Due to tax loss carryforwards	509	465
Tax effect on temporary differences	140	–3,305
Due to tax rate changes	0	27
Total deferred taxes	**–1,432**	**27,884**
Total tax expense	**–74,140**	**–41,066**

Under German tax law, income taxes are made up of corporation tax, trade tax and the solidarity surcharge.

Trade tax in Germany is levied on the taxable income of the company, adjusted by deducting certain income that is not subject to trade tax and by adding certain expenses that are not deductible for trade tax purposes.

The effective trade tax rate depends on the municipality in which the company operates. The average trade tax rate in the 2024 fiscal year for the tax group of IONOS Holding SE is approximately 15.01% (previous year: 14.95%).

Regardless of whether the profit is retained or distributed, the corporate income tax rate in Germany remained unchanged at 15%. In addition, a solidarity surcharge of 5.5% is levied on the corporation tax assessed.

In addition to taxes on current earnings, current income taxes include tax income unrelated to the accounting period in the amount of €54k. In the previous year, tax expenses unrelated to the accounting period in the amount of €276k were included.

Deferred tax assets on tax loss carryforwards, tax interest carryforwards and temporary differences are recognized if it is probable that taxable income will be available against which the deductible temporary difference can be utilized. In the 2024 fiscal year, as in the previous year, no deferred tax expense arose from the utilization of deferred tax assets on tax loss carryforwards.

Deferred taxes of €974k were recognized on loss carryforwards in Germany relating to IONOS Group SE (€3,040k for corporate income tax and €3,225k for trade tax). There are no foreign tax loss carryforwards.

The interest barrier enshrined in German tax law limits the deductibility of interest expenses for the calculation of corporate income taxes. Interest expenses that cannot be deducted are carried forward indefinitely to subsequent fiscal years (interest carryforward).

In the fiscal year, deferred tax assets on interest carryforwards in the amount of €2,081k were utilized. In the previous year, additional deferred tax assets on interest carryforwards were recorded for the first time in the full amount of €30,697k due to positive planning of the tax results.

In accordance with IAS 12 International Tax Reform – Pillar Two Model Rules, the IONOS Group applies the temporary mandatory exemption from recognizing deferred taxes that result from the introduction of global minimum taxation.

Of the jurisdictions to be included for Pillar Two purposes, the following have already enacted final implementation legislation: Germany, France, Canada, Poland, Austria, Spain, Romania and the UK. A comprehensive analysis of the financial figures for the current fiscal year indicates that, as things stand, no country within the group qualifies as a low-tax country for Pillar Two purposes. Consequently, no additional tax liability is expected in the fiscal year 2024.

The regulations on global minimum taxation (Pillar Two) have applied to the United Internet Group, in whose consolidated financial statements the IONOS Group is included, since January 1, 2024.

Deferred taxes are derived from the following items:

in €k	Dec. 31, 2024 Deferred tax assets	Dec. 31, 2024 Deferred tax liabilities	Dec. 31, 2023 Deferred tax assets	Dec. 31, 2023 Deferred tax liabilities
Trade accounts receivable	2,024	150	1,305	237
Inventories	96	12	88	5
Contract assets	0	2,280	0	2,176
Other financial assets - current	1,778	0	506	0
Other financial assets - non-current	30	932	29	520
Other assets	0	0	0	800
Prepaid expenses	16,114	9,989	16,054	6,301
Property, plant and equipment	1,333	9,539	1,250	8,404
Right-of-use assets from leases	87	30,827	78	34,672
Intangible assets	3,206	55,484	2,893	58,771
Other provisions	19,953	1,872	15,017	361
Contract liabilities	19,969	44,201	18,334	42,033
Lease liabilities	34,068	53	36,885	40
Other liabilities	1,330	2,165	946	2,102
Gross value	**99,988**	**157,504**	**93,385**	**156,422**
Tax interest carryforwards	64,685	0	66,766	0
Tax loss carryforwards	974	0	465	0
Offsetting	–114,677	–114,677	–122,770	–122,770
Consolidated statement of financial position	**50,970**	**42,827**	**37,846**	**33,652**

The surplus of deferred taxes in the amount of €4,194k in the previous year increased to €8,143k in the 2024 fiscal year. Thus, the total amount of the change in the balance of deferred taxes amounted to €3,949k (previous year: €14,555k). This change is mainly due to the following factors:

- Increase in deferred tax liabilities on increased cost accruals in connection with revenue recognition by €4,340k.
- Reduction of deferred tax assets on interest carryforwards by €2,081k and increase of deferred tax assets on loss carryforwards by €509k.
- Reduction of deferred tax liabilities from amortization of intangible assets in connection with company acquisitions by €5,842k.
- Increase in deferred tax assets from provisions for LTIP by €3,482k.

Deferred tax liabilities on intangible assets of €55,484 k (previous year: €58,771 k) are mainly due to the different treatment of intangible assets capitalized in the context of company acquisitions in the consolidated financial statements and the tax balance sheet.

The change in the balance of deferred taxes compared to the previous year can be reconciled as follows:

in €k	2024	2023
Deferred tax income	–1,432	27,884
Deferred tax effects recognized in equity	5,381	–13,329
Change in the net balance of deferred taxes	**3,949**	**14,555**

The deferred taxes recognized directly in equity result mainly from the employee share ownership programs.

The reconciliation from the overall tax rate to the effective tax rate for continuing operations is as follows:

in %	2024	2023
Anticipated tax rate	**31.1**	**31,1**
Current and deferred taxes for prior years	-0.7	1.5
Effect from tax rate changes	0.0	0.0
Tax effects in connection with group-internal dividends and disposals	0.4	0.5
Write-downs on intangible assets deductible for tax purposes only	0.0	0.6
Effect from tax rate differences	-2.5	-2.9
Utilization of loss carryforwards for which no deferred tax assets were recognized	-1.1	0.0
Employee stock ownership program	0.4	-0.1
Non-deductible write-downs on financial assets	1.6	-3.3
First-time capitalization of interest carryforwards that can be used in the future	0.0	-10.9
Tax losses and non-deductible interest of the fiscal year for which no deferred taxes were recognized	0.1	2.8
Recognition/impairment of deferred tax assets	-0.5	-0.2
Trade tax add-back	1.1	1.4
Balance of other tax-free income and non-deductible expenses	0.5	-1.4
Effective tax rate	**30.4**	**19.1**

The balance of other tax-free income and non-deductible expenses relates in particular to intragroup dividends.

The expected tax rate corresponds to the tax rate of the parent company IONOS Group SE.

The reconciliation figure from tax rate differences results from tax rate differences between domestic and foreign Group entities compared to the tax rate expected for IONOS Group SE. The reconciliation figure from tax losses and non-deductible interest for the fiscal year, for which no deferred taxes were recognized, results from the non-recognition of deferred tax assets on the portion of the interest carryforward for which there is no probable use from earnings planning at the time the balance sheet is prepared.

17. Earnings per share

The issued capital consists of 140,000,000 registered no-par value shares with a notional value of €1.00 each (previous year: 140,000). The company's capital amounted to €140,000k.

As part of the IPO rollover agreement, the number of subscription rights was fixed, resulting in a dilutive effect on the weighted average number of shares in circulation of 2,965,291 as of December 31, 2024. In the 2023 fiscal year, there was a dilutive effect on the weighted average of shares outstanding of 1,473,487 shares. Please refer to note 37 for information on the IPO reconciliation agreement.

	2024	2023
Earnings attributable to the shareholders of IONOS Group SE (in €k)	**169,666**	**174,231**
Earnings per share of shareholders of IONOS Group SE (in €)		
basic	1.22	1.24
diluted	1.19	1.23
Weighted average number of shares outstanding (in thousands)		
basic	139,536	140,000
diluted	142,502	141,473

NOTES TO THE STATEMENT OF FINANCIAL POSITION

18. Cash and cash equivalents

Cash and cash equivalents consist of bank balances, short-term investments, cheques and cash in hand. Bank balances bear interest at variable rates for assets that can be cancelled daily.

Short-term deposits are made for different periods of between one day and three months, depending on the Group's respective cash requirements.

The development of cash and cash equivalents can be seen in the consolidated cash flow statement.

19. Trade accounts receivable

Trade receivables as at the respective balance sheet date break down as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable	109,265	87,584
Less bad debt allowances	–17,773	–14,072
Trade accounts receivable, net	**91,492**	**73,512**

The development of the allowance account is as follows:

in €k	2024	2023
As of January 1	14,072	9,806
Utilization	–8,394	–5,098
Additions charged to profit or loss	12,427	10,071
Reversals	–344	–760
Exchange rate differences	12	53
As of December 31	**17,773**	**14,072**

The expense-related additions for the fiscal year do not include the receivables created during the fiscal year and written off before the balance sheet date. The increase in the allowances is due to the overall economic environment, particularly in the US and the UK.

The maximum default risk as at the balance sheet date corresponds to the net carrying amount of the above trade receivables.

Overdue receivables are tested for impairment. Individual value adjustments are essentially determined depending on the age structure of the receivables. Please refer to note 44. All overdue receivables that have not been individually impaired are subject to a generalized specific valuation allowance.

As at December 31, 2024, the age structure of trade receivables after taking into account the aforementioned valuation allowances is as follows:

in €k	2024	2023
0—5 days	75,105	63,503
6—15 days	5,233	3,164
16—30 days	6,365	2,206
31—180 days	3,491	3,237
181—365 days	662	948
> 365 days	636	454
Total	**91,492**	**73,512**

20. Receivables from related parties

Receivables from related parties amounted to €88,487k (prior year: €63,094k) and relate to United Internet Group companies which are not included in the Group's consolidation.

Please refer to Note 43 for information on transactions with related parties.

21. Contract assets

in €k	2024	2023
Contract assets	9,266	8,254
less bad debt allowances	–9	–10
Contract assets, net	**9,257**	**8,244**
thereof contract assets - current	9,235	8,235
thereof contract assets - non-current	22	9

22. Prepaid expenses

Current deferred expenses of €26,684k (prior year: €25,530k) primarily include contract initiation costs of €12,261k (prior year: €11,858k) and advance payments for service fees, which are amortized over the underlying contractual period and recognized as expenses in the relevant periods.

Non-current deferred expenses of €26,122k (previous year: €13,628k) mainly comprise non-current deferred contract initiation costs of €24,809k (previous year: €12,016k).

Amortization of capitalized contract initiation costs amounted to €17,216k in the 2024 fiscal year (previous year: €14,962k).

23. Other current assets

Other current financial assets

Other current financial assets amounted to €16,306k (previous year: €28,313k) as of December 31, 2020, and break down as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
Receivables project grants	1,778	8,410
Payments on account	6.,586	8,040
Creditors with debit balances	2,467	3,257
Denic reimbursement	2,921	1,652
Security deposits	1,561	923
Miscellaneous	993	6,031
Other financial assets, net	**16,306**	**28,313**

The receivable for a project grant relates to approved grants for projects awarded as part of a European Union funding program. In some cases, the grants were paid out in three tranches in fiscal year 2024, in accordance with the funding decision. The second and third tranches, each in the amount of €1,646k, were tied to the provision of guarantees and the achievement of certain milestones in the progress of the project. The projects are to be completed by June 30, 2026. Any positive net income generated by the subsidized project must be repaid.

The advance payments made under other current assets mainly relate to advance payments made for domains.

Other current non-financial assets

The other current non-financial assets totaling €939k (previous year: €658k) mainly relate to VAT receivables.

24. Income tax claims

The income tax receivables totaling €6,262k (previous year: €2,722k) mainly relate to IONOS S.A.R.L. with €3,005k and Arsys Internet S.L.U. with €741k (previous year: IONOS Cloud Ltd. with €1,726k). The other income tax receivables are distributed across various subsidiaries of IONOS Group SE.

25. Investments in associated companies

Investments in associated companies amounted to €2,407k (previous year: €4,279k) and developed as follows as of the balance sheet date:

in €k	2024	2023
As of January 1	4,279	2,423
Addition due to acquisition/capital increase	0	2,263
Impairment	–1,155	0
Distributions	–115	–156
Earnings contributions	–603	–251
As of December 31	**2,406**	**4,279**

The impairment concerns DomainsBot S.r.l., which was impaired to its fair value. The fair value is based on a purchase offer for the shares of DomainsBot S.r.l., which is considered a real option due to the company's situation. The purchase offer is classified as level 3 in the fair value hierarchy of IFRS 13.

The shares in associated companies are made up as follows as at the balance sheet date:

in €k	Dec. 31, 2024	Dec. 31, 2023
DomainsBot S.r.l.	55	1,284
Stackable GmbH	1,141	1,467
Street Media GmbH	1,210	1,528
Investments in associated companies	**2,406**	**4,279**

The following table contains summarized financial information on the associated companies held as at the balance sheet date on the basis of a 100% shareholding:

in €k	Dec. 31, 2024	Dec. 31, 2023
Current assets	2,261	2,494
Non-current assets	321	145
Current liabilities	441	502
Non-current liabilities	177	0
Equity	**1,964**	**2,296**
Revenue	1,726	1,996
Net loss	–1,352	–1,223

No acquisitions or disposals of shares took place in the 2024 fiscal year.

26. Other non-current financial assets

The development of other non-current financial assets for the reporting years 2024 and 2023 is shown in the following overviews:

in €k	Jan. 1, 2024	Additions	Currency effects	Change in fair value	Disposal	Dec. 31, 2024
Other non-current assets	761	0	0	0	0	761
	761	**0**	**0**	**0**	**0**	**761**

in €k	Jan. 1, 2023	Additions	Currency effects	Change in fair value	Disposal	Dec. 31, 2023
Other non-current assets	903	0	10	0	–153	761
	903	**0**	**10**	**0**	**–153**	**761**

27. Property, plant and equipment

Property, plant and equipment amounted to €315,402k (previous year: €321,661k) and broke down as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
Cost before depreciation		
Land and buildings	26,778	25,595
Operating and office equipment	549,882	507,377
Payments on account	5,556	5,212
Right-of-use assets from leases (IFRS 16)	175,861	174,141
	758,077	**712,325**
Less		
Accumulated depreciation	-442,675	-390,664
Property, plant and equipment, net	**315,402**	**321,661**

The right-of-use assets for leasing relate to land and buildings with acquisition costs of €166,422k (previous year: €164,070k) and a net book value as of December 31, 2024, of €104,409k (previous year: €112,404k), as well as operating and office equipment with acquisition costs of €9,439k (previous year: €10,071k) and a book value as of December 31, 2024, of €1,314k (previous year: €1,796k).

An alternative presentation of the development of property, plant and equipment in the 2023 fiscal year is shown in the appendix to the notes to the consolidated financial statements (development of intangible assets and property, plant and equipment).

28. Intangible assets (without goodwill)

Intangible assets, excluding goodwill, amounted to €145,610k (previous year: €164,174k) as of December 31, 2024, and are comprised as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
Cost before amortization		
Software/licenses	81,964	81,235
Trademarks	53,739	53,368
Customer base	306,013	304,639
Internally generated intangible assets	8,994	7,038
Other intangible assets	6,899	5,111
Payments on account	3,346	4,125
	460,955	**455,516**
Less		
Accumulated amortization	-315,345	-291,342
Intangible assets, net	**145,610**	**164,174**

An alternative presentation of the development of intangible assets in the 2024 fiscal year is shown in the appendix to the consolidated financial statements (development of intangible assets and property, plant and equipment). The book values of intangible assets with an indefinite useful life (trademarks and domain licenses) amount to €55,903k (previous year: €54,018k). The impairment test for intangible assets with an indefinite useful life was carried out at the level of the cash-generating units as of the balance-sheet date.

The carrying amount of the customer base results from the following company acquisitions:

in €k	Dec. 31, 2024	Dec. 31, 2023
STRATO	54,375	67,673
World4You	12,256	14,105
home.pl	3,123	5,991
we22	1,314	1,459
Other	1	12
Customer base	**71,070**	**89,240**

The remaining amortization period for the customer base from the acquisition of STRATO GmbH (formerly STRATO AG) is between 1 and 6 years (previous year: 1 to 7 years), depending on the product group, with the main share being 4 years (previous year: 5 years). The remaining amortization period for the customer base from the home.pl transaction is 1 year (previous year: 2 years), for World4You 7 years (previous year: 8 years) and for we22 9 years (previous year: 10 years).

The following table provides an overview of the carrying amounts of trademark rights by cash-generating unit as at the balance sheet date:

in €k	Dec. 31, 2024	Dec. 31, 2023
STRATO	20,071	20,071
home.pl	11,329	11,144
Arsys	7,278	7,278
united-domains	4,198	4,198
Fasthosts	4,169	3,983
World4You	3,494	3,494
Cronon	462	462
Trademarks	**51,001**	**50,630**

The useful life of the trademark rights is classified as indefinite, as there are no indications that the inflow of benefits will end in the future.

29. Goodwill and other intangible assets with indefinite useful lives

The existing goodwill and intangible assets with an indefinite useful life are subject to an impairment test at least once a year. Based on the company's internal budgeting process, the company has defined the last quarter of its fiscal year for the implementation of the annually required impairment test.

Goodwill acquired as part of business combinations was allocated to cash-generating units for the purposes of impairment testing.

Impairment losses are always reported separately in the statement of comprehensive income and in them consolidated statement of changes in non-current assets.

Goodwill, as of December 31, 2023, is broken down by cash-generating unit as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
STRATO	401,823	401,823
home.pl	121,607	120,661
Arsys	100,496	100,496
Fasthosts	65,571	62,644
World4You	51,250	51,250
united-domains	35,925	35,925
IONOS	43,138	43,138
InterNetX	5,237	5,237
Sedo (Domain-Marketing)	5,097	5,097
Goodwill	**830,144**	**826,271**

The changes in the values of some of the company values compared to the previous year are due exclusively to currency conversion effects. If the cash-generating units are assigned to the segments, the “Digital Solutions & Cloud” segment has goodwill of €825,047k (previous year: €821,174k) and the “AdTech” segment has goodwill of €5,097k (previous year: €5,097k).

Scheduled impairment test

The recoverable amounts of the cash-generating units are determined on the basis of the calculation of fair value less costs of disposal using cash flow forecasts. The hierarchy of fair value less costs of disposal or value in use within the meaning of IFRS 13 is classified as level 3 for all impairment tests.

The cash flow forecasts are based on the company's budgets for the 2025 fiscal year. These budgets were extrapolated by management on the basis of external market studies and internal assumptions for the respective cash-generating units for a period of 10 years (previous year: up to 10 years). After this period, management assumes an annual increase in revenues and EBITDA of between 1.0% and 2.1% (previous year: 1.0% to 2.2%), which corresponds to the long-term average growth rate of the sector in which the respective cash-generating unit operates.

The discount rates after taxes used for the cash flow forecast in the fiscal year range from 7.4% to 9.4% (previous year: 7.5% to 9.7%).

The following table shows the basic assumptions used in the impairment test of the individual cash-generating units to which goodwill has been allocated and which were used to determine the fair value less costs of disposal.

	Reporting year	Total proportion of goodwill	Long-term growth rate	Discount rate after taxes
STRATO	2024	48.4%	1.0%	7.4%
	2023	48.6%	1.0%	7.6%
home.pl	2024	14.6%	1.6%	8.5%
	2023	14.6%	1.6%	8.8%
Arsys	2024	12.1%	2.1%	9.4%
	2023	12.2%	2.2%	9.7%
Fasthosts	2024	7.9%	1.4%	8.2%
	2023	7.6%	1.4%	8.4%
World4You	2024	6.2%	1.3%	7.9%
	2023	6.2%	1.3%	8.2%
united-domains	2024	4.3%	1.0%	7.4%
	2023	4.3%	1.0%	7.6%
IONOS	2024	5.2%	1.2%	7.8%
	2023	5.2%	1.2%	8.0%
InterNetX	2024	0.6%	1.0%	7.4%
	2023	0.6%	1.0%	7.5%
Sedo (Domain-Marketing)	2024	0.6%	1.0%	7.4%
	2023	0.6%	1.0%	7.5%

The cash flow forecasts depend to a large extent on the estimation of future revenues. The management of the respective cash-generating unit expects different developments in revenues during the planning period. The values of the revenues in the detailed planning period of the cash-generating units are based on average annual growth rates of revenues between 3.5% and 7.8% (previous year: 4.5% to 9.9%).

The fair value less costs of disposal is largely determined by the present value of the perpetual annuity, which is particularly sensitive to changes in the assumptions regarding the long-term growth rate and the discount rate. To determine the fair value less disposal costs, disposal cost rates of 0.4% to 3.0% were assumed (previous year: 0.4% to 3.0%).

The Group has trademark rights of €51,001k (previous year: €50,630k) recognized on its balance sheet. In the context of business combinations, the trademark rights were measured at their fair value using appropriate valuation methods (generally the relief-from-royalty method) and tested for impairment at the level of the cash-generating units as of the balance-sheet date.

Sensitivity of assumptions

The sensitivity of the assumptions made with regard to an impairment of goodwill or brand rights depends on the respective cash-generating units.

In the context of sensitivity analyses of the cash-generating units, the discount rates (after taxes) were increased by the change compared to the previous year and at the same time a CGU-specific appropriate decline in the long-term growth rate in perpetuity was assumed, as well as, alternatively, a decline in the EBITDA margin in perpetuity. These assumptions would not result in any changes to the impairment tests for the cash-generating units.

In the previous year, a sensitivity analysis for the cash-generating unit World4You would have shown an impairment of €2.2 million given an increase in the discount rate of 1.3 percentage points and a decline in the EBITDA margin of 4.8 percentage points. Without the increase in the discount rate, the headroom would have amounted to €8 million.

Furthermore, as in the previous year, the company management is of the opinion that no reasonably possible change in one of the basic assumptions made to determine the fair value less costs of disposal of a cash-generating unit could lead to the carrying amount significantly exceeding the recoverable amount.

30. Trade accounts payable

Trade accounts payable amounted to €112,311k (previous year: €89,227k) as of the balance sheet date. Trade accounts payable comprise all supplier liabilities from the delivery of goods and the provision of services by third parties and, as in the previous year, have a remaining maturity of up to one year in the full amount.

31. Liabilities due to banks

Since December 15, 2023, IONOS Holding SE and a banking syndicate have had a loan agreement in the amount of €800,000k.

The loan has a term of three years until December 15, 2026, is due at maturity, and is therefore reported under long-term liabilities to banks. The interest rate is composed of the three-year mid-swap rate at the time of lending plus a margin of 2.0% and is 4.67% p.a. Interest is paid semi-annually.

Interest expenses for the 2024 fiscal year are recognized under current liabilities to banks.

32. Liabilities to related parties

Current and non-current liabilities due to related companies amounted to €176,280 (previous year: €356,292) as of the reporting date and relate to United Internet Group companies that are not included in the consolidation of IONOS. They include a long-term loan from United Internet AG amounting to €170,000k (prior year: €350,000k). The loan bears interest at 6.75% p.a. and matures on December 15, 2026. In fiscal year 2024, repayments of €180,000k were made on the loan.

Please refer to note 43 for information on transactions with related parties.

33. Income tax liabilities

Income tax liabilities amounted to €35,798k (previous year: €21,982k) as of the balance-sheet date and are comprised as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
Trade tax		
Germany	21,465	11,249
	21,465	**11,249**
Corporate income tax		
Germany	10,914	9,384
UK	0	738
Austria	604	176
Spain	78	67
France	2,157	65
Philippines	0	30
USA	314	0
Poland	38	0
	14,105	**10,460**
Other income taxes		
Germany	0	107
France	228	166
Income tax liabilities	**35,798**	**21,982**

34. Contract liabilities

in €k	Dec. 31, 2024	Dec. 31, 2023
Contract liabilities	**94,765**	**86,574**
thereof current	92,653	84,645
thereof non-current	2,112	1,929

35. Other provisions

Provisions amount to €3,911k (previous year: €4,150k) as of December 31, 2024, and developed as follows during the fiscal year:

in €k	Special remuneration	Litigation risks	Dismantling obligation	Onerous contracts	Warranties	Total
As of January 1	**111**	**502**	**3,128**	**308**	**100**	**4,150**
Utilization	0	280	201	87	0	567
Reversals	106	40	0	33	100	279
Interest effects	0	0	11	0	0	11
Addition	160	69	218	58	0	506
Currency effects	0	9	79	2	0	90
As of December 31	**165**	**260**	**3,237**	**248**	**0**	**3,911**

Please refer to Note 37 for information on provisions for special remuneration.

The provisions for dismantling obligations in the amount of €3,237k (previous year: €3,128k) are non-current provisions with a term of more than five years (previous year: more than five years).

The litigation risks consist of various legal disputes at different IONOS companies, with all provisions for litigation risks as of December 31, 2024, being classified as current, as in the previous year.

Of the provisions for impending losses, an amount of €34 thousand (previous year: €28 thousand) relates to non-current provisions with a liquidity outflow of up to five years.

36. Other liabilities

Other current financial liabilities

Other current financial liabilities break down as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023*
Lease liabilities	14,266	14,387
Contingent purchase price liabilities	23,653	10,922
Marketing and selling expenses/commissions	9,754	7,841
Debtors with credit balances	4,752	4,660
Legal and consulting fees, financial statement costs	3,211	3,640
Obligation from project grants	0	3,364
Other	2,441	3,372
Other current financial liabilities	**58,077**	**48,186**

*Previous year adjusted. The liabilities from salary and wage (2024: €22,205k; 2023: €19,761k) were reclassified from financial to non-financial liabilities to improve the consistency of the financial statements.

The contingent purchase price liability relates to a variable purchase price component from the acquisition of STRATO GmbH (formerly STRATO AG) in the amount of €23,653k (previous year: €10,922k) and is recognized as current within the next 12 months due to the end of its term. The purchase price amount depends mainly on the enterprise value of the company. The exercise date depends on future events that have to be estimated. The estimate was adjusted during the fiscal year.

Please refer to note 46 for information on current lease liabilities.

Other current non-financial liabilities

The other current non-financial liabilities of €54,251k (previous year: €45,770k) mainly comprise liabilities to tax authorities in connection with value added taxes and sales taxes of €25,389k (previous year: €20,141k), from salaries of €22,205k (previous year: €19,761k) and from wage and church taxes of €3,489k (previous year: €3,549k).

Other non-current financial liabilities

in €k	Dec. 31, 2024	Dec. 31, 2023
Lease liabilities	103,288	110,223
Obligation from project grants	5,046	5,046
Other	593	357
Other non-current financial liabilities	**108,927**	**115,626**

The lease liabilities result from lease accounting in accordance with IFRS 16. For further explanations, please refer to our comments in Note 46.

37. Share-based payment – employee stock ownership programs

The Group has the following employee participation programs: a long-term incentive plan (LTIP Hosting), which was launched in the 2017 fiscal year, the Stock Appreciations Rights (SAR IONOS) program, which was introduced as part of the IPO of IONOS in the first quarter of 2023, an IPO rollover agreement and a long-term incentive plan of the we22 Group.

Long Term Incentive Plan (LTIP Hosting)

The objective of the Long-Term Incentive Plan (LTIP) set up in the 2017 fiscal year is to align the interests of the members of the management (Management Board and executives) and other key employees of the IONOS Group with the interests of the company in the long term in order to increase the equity value of the company (IONOS Group SE) and other companies in the IONOS Group.

As part of the LTIP program, eligible employees were allocated Management Incentive Plan (MIP) units (stock appreciation rights). They vest on a straight-line basis over a period of four years (starting from the date of issue), provided that the employee in question has not resigned by the time an event defined in the LTIP agreement (trigger event) occurs. This relates to the complete sale of all shares in IONOS Group SE held by Warburg Pincus.

The partial sale of the shares held by Warburg Pincus in 2021, 2023 and 2024 does not constitute such a trigger event.

In the event of a trigger event, the MIP units represent a value claim in the amount of the difference between the individually determined exercise price and the enterprise value of IONOS Group SE. The exercise price is increased or reduced by equity contributions or repayments.

The entitlements under the LTIP program can be settled in the form of shares or cash. In the case of settlement as a share settlement, the entitlements can be settled by the issue of shares or options to acquire shares. As there is no current obligation to settle in cash, the plan is accounted for as equity settled.

As in the previous year, no new MIP units were issued from LTIP hosting in the 2024 fiscal year.

To determine the fair values, an option valuation is carried out using the Black-Scholes model on the basis of the individual exercise price, the enterprise value at the grant date, and the remaining term until the trigger event, taking the other assumptions mentioned into account.

As the exercise prices of the MIP units already take into account equity returns, it is not necessary to additionally consider a dividend yield when measuring the entitlements.

The volatility used to determine the fair value was calculated from the weighted average of the price fluctuations of the last 180 days (weighting of 1/3) and the last 360 days (weighting of 2/3) of IONOS Group SE.

The following effects resulted from the program as at the reporting date:

in €k	2024	2023
Total expense from the program	37,585	37,674
Cumulative expense until December 31	37,568	37,656
Expense for future years	17	18
Personnel expense in the fiscal year	–87	1,155
Fair value of the commitments granted in the fiscal year at the time of granting	**0**	**0**

The changes in the issued and outstanding MIP units are shown in the following table:

	MIP Units	Average strike price (€)
Outstanding as of Dec. 31, 2022	**460,071**	**173.36**
Issue IPO	20,429	329.98
Change to the program "Rollover"	–389,625	168.58
Expired/forfeited	–625	358.80
Outstanding as of Dec. 31, 2023	**90,250**	**130.29**
Change to the program "Rollover"		
Expired/forfeited	–1,500	310
Outstanding as of Dec. 31, 2024	**88,750**	**127.25**
Exercisable as of Dec. 31, 2024	0	n/a
Exercisable as of Dec. 31, 2023	0	n/a

The IPO did not involve a full exit by Warburg Pincus, but only a partial sale. The initial listing of IONOS Group SE on February 8, 2023, therefore did not constitute a triggering event within the meaning of the LTIP hosting agreement. Accordingly, the IPO did not result in the claims of the individual participants falling due. For the remaining participants in the LTIP Hosting, however, a further approx. 11% of the claims from the LTIP Hosting will be fixed at the issue price at the IPO on February 8, 2023.

Against this backdrop, all active employees of the LTIP Hosting program were offered an IPO rollover agreement (hereinafter referred to as "rollover"). As part of the rollover, active employees were able to convert their LTIP Hosting MIP units into subscription rights for shares in IONOS Group SE.

The determination of the IPO award (virtual share options as part of the rollover) followed a two-stage process based on the assumption of a complete divestment by Warburg Pincus. In the first step, the increase in value per participant was derived on the basis of the conditions of the LTIP hosting. An increase in value was determined for around 25% of the MIP units due to a share buyback in 2021 and an enterprise value of EUR 4.8 billion. For the remaining approx. 75% of the MIP units, the increase in value at the time of the IPO was considered relevant, whereby the IPO issue price of EUR 18.50 was used to determine the increase in value. The total increase in value per participant was determined from these calculations.

In the second step, the increase in value achieved per participant was divided by the IPO issue price to determine the number of virtual shares in IONOS Group SE. Participants who did not increase in value by the IPO did not receive any virtual shares, but had the opportunity to remain in LTIP hosting. The determined number of IPO awards was then fixed and distributed in three tranches.

The IPO awards were generally allocated in three equal tranches over a period of up to 24 months after the IPO. The number of virtual stock options could vary slightly between the tranches in order to meet the requirement that the number of options per participant and the number per tranche per participant had to be an integer. The tranches were allocated as follows:

- Tranche 1 on the day of the initial listing (February 8, 2023)
- Tranche 2 18 months later (August 2024) and
- Tranche 3 24 months after the initial listing (February 2025).

The payment of Tranche 2 and Tranche 3 is generally linked to remaining in the company until the payment date. It can be made in cash or in equity instruments, whereby the company reserves the right to decide how this is granted. The amount of a cash payment depends on the performance of the IONOS share price. The cash payment for Tranche 1 is to be classified as an exception due to the lock-up period for the sale of shares in connection with the IPO, so that an equity-settled commitment continues to be recognized in accordance with the provisions of IFRS 2.

A different arrangement was made for certain participants, as their service contracts ended prematurely. A total of 2,210,243 virtual share options were determined as of February 8, 2023.

The changes in the outstanding virtual share options determined from the conversion of the MIP units are shown in the following table:

	Virtual stock options	Average strike price (€)
Outstanding as of Dec. 31, 2022	**0**	**n/a**
Issue IPO	2,210,243	n/a
Payout IPO	–736,756	n/a
Expired/forfeited	–13,743	n/a
Outstanding as of Dec. 31, 2023	**1,459,744**	**n/a**
Payout 2nd tranche	–729,877	n/a
Advance payout 3rd tranche	–6,411	n/a
Expired/forfeited	–10,023	n/a
Outstanding as of Dec. 31, 2023	**713,433**	**n/a**

In the fiscal year 2023, the beneficiaries of tranche 1 were paid €13,630k.

The payment of €16,566k of tranche 2 to the beneficiaries took place in the 2024 fiscal year. The claim was settled by the transfer of 383,067 Treasury shares, and the ancillary wage costs were paid by IONOS.

In addition, an advance payment of the third tranche was made to the beneficiaries in the 2024 fiscal year in the form of Treasury shares (3,368 shares).

Long Term Incentive Plan we22

In the 2021 fiscal year, a further employee participation program (Long Term Incentive Plan, LTIP) was introduced for selected members of the Executive Board and management of the we22 Group (we22 GmbH including subsidiaries and affiliated companies). The objective of the LTIP program is to align the interests of the employees of the we22 Group with the interests of the company in the long term in order to increase the equity value of the we22 Group and IONOS Group SE.

As part of the LTIP program, eligible employees of the we22 Group were allocated Management Incentive Plan (MIP) units, the value of which is based on the enterprise value of IO-NOS Group SE less a fixed exercise price. They vest on a straight-line basis over a period of around four years (starting from the date of issue), provided that the employee in question has not given notice by the end of each year or December 31, 2024. Alternatively, in the event of a change of control at IONOS SE before the end of 2024, some of the beneficiaries must remain with the company until nine months after the change of control occurs in order to receive an entitlement. As such a change of control is currently unlikely, this option is not considered in the measurement of the plan. The entitlements are settled in cash. The entitlements are therefore recognized as cash-settled share-based payment transactions.

As in the previous year, no new MIP units were issued from this program in the 2024 fiscal year.

The fair value was determined using a Black-Scholes model.

The volatility used to determine the fair value was calculated from the weighted average of the price fluctuations of the last 180 days (weighting of 1/3) and the last 360 days (weighting of 2/3) of IONOS Group SE.

As the exercise prices of the MIP units already take into account equity returns, no additional consideration of a dividend yield was made in the valuation of the claims. The we22 long-term incentive plan was not in the money by the end of its term at the end of 2024. Thus, the claims from the MIP units have expired, and the provision was completely reversed.

The program for we22 resulted in the following effects as at the reporting date:

in k€	2024	2023
Total expense from the program	0	128
Cumulative expense until December 31	0	106
Expense for future years	0	22
Personnel expense in the fiscal year	–106	–1,202
Grant-date fair value of commitments awarded in the fiscal year	0	0

The changes in the issued and outstanding MIP units are shown in the following table:

	MIP Units	Average strike price (€)
Outstanding as of Dec. 31, 2023	**68,463**	**161.56**
Expired/forfeited	–68,463	161.56
Outstanding as of Dec. 31, 2024	**0**	**161.56**
Exercisable as of Dec. 31, 2024	0	n/a
Exercisable as of Dec. 31, 2023	0	n/a

Stock Appreciation Rights (SAR IONOS Group SE)

In December 2022, a new incentive plan was launched for the members of the Management Board of IONOS Group SE, subject to a successful IPO. The SAR program takes the form of stock appreciation rights and is treated as a share-based remuneration transaction settled with equity instruments. A stock appreciation right (SAR) is a commitment by IONOS Group SE to make a payment to the beneficiaries in the amount of the difference between the stock market price at the time the option is granted (agreed exercise price) and the stock market price at the time the option is exercised. The exercise hurdle is 110% of the exercise price after three years, 115% after four years and 120% after five years. The exercise price is calculated as the mean value of the closing prices in XETRA trading for the company's shares on the Frankfurt Stock Exchange during the last 10 trading days prior to the date of issue of the option. The payment of the increase in value for the beneficiary is limited, depending on the agreements of individual tranches, to 100% of the calculated stock exchange price (exercise price) or 150% of the calculated stock exchange price (exercise price).

A SAR corresponds to a virtual subscription right to a share in IONOS Group SE, but is not a share right and therefore not a (genuine) option to acquire shares in IONOS Group SE. The beneficiaries have no claim to a possible dividend payment by the company. However, IONOS Group SE reserves the right, at its own discretion, to fulfill its obligation to pay the SAR in cash instead by transferring shares of IONOS Group SE from its treasury stock to the beneficiaries. The program is therefore accounted for as an equity-settled plan, as there is no current obligation to settle in cash.

The option right can be exercised for a partial amount of up to 33.33% at the earliest 36 months after the date of issue of the option, for a partial amount of up to 66.66% at the earliest 48 months after the date of issue of the option and for the total amount at the earliest 60 months after the date of issue of the option, provided that the beneficiary concerned has not given notice of termination at the end of each year. One third of the vested amount is therefore earned over each of the aforementioned periods.

However, the SARs have a basic term of 6 years, meaning that all unexercised SARs lapse without compensation at the end of this period. Furthermore, additional reductions in the payout amounts are possible in connection with predefined ESG targets. These targets are not yet known at the time the financial statements are prepared. As part of the ESG targets, entitlements can be reduced by a maximum of 10% if the targets are not met. The IPO of IONOS Group SE took place on February 8, 2023, which also corresponds to the allocation date.

The exercise behavior is based on the assumption that participants will exercise their SARs at the earliest possible date, similar to comparable programs within the United Internet Group. It is expected that one third of the SARs will be exercised in the first window after the third year, a further third after the fourth year and the final third after the fifth year, if possible. The exercise of SARs is limited to two 10-day windows per calendar year, starting shortly after the Annual General Meeting and the publication of the 9-month report.

During the 2024 fiscal year, the SAR program was expanded to include a total of 25 participants. The expanded SAR program is generally based on the rules of the SAR program for the members of the Executive Board, with the following deviations from the SAR program for the Executive Board:

- The SARs cannot be exercised at will by the participants but must first be earned in portions through service ("service condition"). Earned SARs can only be exercised in defined exercise windows and in fulfillment of defined exercise criteria ("performance condition").
- There are four tranches, each comprising 25% of the SARs, with the first right of exercise after 24 months being regarded as fully vested. The other tranches vest in 12-month periods. SARs that have already vested but cannot be exercised in the first possible exercise window because the exercise criteria have not been met do not expire; instead, they can be exercised in the following exercise windows provided that the exercise criteria are met.
- The total duration of the plan for these participants is also 6 years.
- The exercise thresholds are 110% of the issue price after 24 months, 115% after 36 months, 120% after 48 months and 125% after 60 months. The increase in value (calculated in relation to the issue price) per SAR is limited to 150%.
- No ESG malus is taken into account.

Using an option pricing model (Monte Carlo simulation) in accordance with IFRS 2, the fair value at the time the options issued were granted was determined as follows:

	Feb. 8, 2024	Apr. 1,2024	Jul. 1,2024
Number of SAR	319,516	14,764	7,960
Initial price	19.66- 26.05	€25.95	€25.95
Strike price	€18.50	€25.64	€25.13
Average market value per option	€6.43	€6.93	€7.05
Dividend yield	0.15%- 0.20%	0.15%	0.15%
Volatility of the share	32.67%- 37.09%	37.22%	35.05%
Expected duration (in years)	6	6	6
Risk-free interest	2.25%- 3.43 %	2.12% - 2.77%	2.12% - 2.77%

As part of the simulation, both the limit on the payout per SAR and the respective exercise hurdles per tranche were taken into account. As the SARs are not entitled to dividends, a dividend yield based on the dividend for the respective fiscal year and the share price of IONOS Group SE on the reporting date was taken into account when measuring the SARs in accordance with IFRS 2.B34.

The volatility used to determine the fair value was calculated from the weighted average of the price fluctuations of the last 180 days (weighting of 1/3) and the last 360 days (weighting of 2/3) of IONOS Group SE.

The SAR program will have the following effects in the 2024 fiscal year:

in €k	2024	2023
Total expense from the program	24,089	22,601
Cumulative expense until December 31	11,586	5,706
Expense for future years	12,503	16,895
Personnel expense in the fiscal year	5,880	5,706

The changes in the issued and outstanding SARs are shown in the following table:

	Number	Average strike price (€)
Outstanding as of Dec. 31, 2022	**0**	**n/a**
Issued	4,973,216	17.51
Expired/forfeited	0	0.00
Outstanding as of Dec. 31, 2023	**4,973,216**	**17.51**
Issued	329,776	18.96
Expired/forfeited	–135,135	18.50
Outstanding as of Dec. 31, 2024	**5,167,857**	**17.58**

38. Issued capital

The issued capital of the group parent IONOS Group SE amounted to an unchanged €140,000k as of December 31, 2024 (previous year: €140,000k).

The issued capital is composed of 140,000,000 shares (previous year: 140,000,000 shares). The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since February 8, 2023, under ISIN: DE000A3E00M1, WKN: A3E00M, Ticker Symbol: IOS. As of December 31, 2024, United Internet AG holds 63.8% and Warburg Pincus 8.7% of the shares. A further 27.2% are in free float. As of December 31, 2024, IONOS Group SE holds 0.3% of Treasury shares. The shares have no par value, and each share has a notional value of €1 of the capital stock.

Authorized capital

By resolution of the Extraordinary General Meeting on January 26, 2023, the Management Board is authorized to increase the share capital of IONOS Group SE by August 31, 2026, with the approval of the Supervisory Board, once or in partial amounts by a total of up to €56,000k by issuing new no-par value shares against cash and/or non-cash contributions. The Management Board was also authorized to decide on the exclusion of shareholders' subscription rights.

Contingent capital

By resolution of the Annual Shareholders’ Meeting on May 15, 2023, the share capital of IONOS Group SE was conditionally increased by up to €20,000k, divided into up to 20,000,000 no-par value registered shares. The conditional capital increase will only be carried out to the extent that the holders or creditors of option or conversion rights or those obliged to convert from bonds with warrants or convertible bonds issued by IONOS Group SE or a subordinate Group company of IONOS Group SE on the basis of the authorization of the Management Board by the Annual Shareholders’ Meeting resolution of 15 May 2023 until 31 August 2026. The new shares are to be issued to the extent that IONOS Group SE or a subordinate group company of IONOS Group SE, which are issued or guaranteed until August 31, 2026, exercise their option or conversion rights or, insofar as they are obliged to convert, fulfill their obligation to convert, or insofar as IONOS Group SE exercises an option to grant shares in IONOS Group SE in whole or in part instead of payment of the cash amount due, unless cash compensation is granted or Treasury shares or shares of another listed company are used for servicing. The new shares will be issued at the option or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent permitted by law, the Management Board may, with the approval of the Supervisory Board, also determine the profit participation of new shares for a fiscal year that has already expired. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

39. Reserves

The change in other reserves in the 2024 fiscal year mainly results from the consolidated net income of €169,666k (previous year: €174,231k) and from the measurement of the LTIP and SAR employee programs in the amount of €5,793k (previous year: €6,843k). In addition, deferred tax assets of €6,457k were recognized in equity in the reporting year on the LTIP employee program through other reserves (previous year: €13,382k in deferred tax assets released). The payment of tranche 2 of the LTIP program, partly with Treasury shares, led to a decline of €18,022k in other reserves.

Currency translation adjustment

Differences from the translation of the financial statements of foreign subsidiaries not recognized in profit or loss are reported under currency translation differences.

40. Treasury shares.

IONOS Group SE did not hold any Treasury shares as of December 31, 2023. On May 8, 2024, the Executive Board of IONOS Group SE, with the approval of the Supervisory Board and based on the authorization of the Extraordinary Shareholders' Meeting on January 26, 2023, initially decided to acquire up to 850,000 Treasury shares via the stock exchange. This corresponds to approximately 0.6% of the issued share capital of €140,000k. The buyback program should be carried out from mid-May 2024 and no later than February 28, 2025.

The acquisition of Treasury shares may be carried out via the stock exchange or by means of a public purchase offer addressed to all shareholders or by means of a public invitation to all shareholders to submit offers for sale, or by issuing rights to shareholders to offer shares.

As part of the share buyback program announced on May 8, 2024, IONOS Group SE acquired a total of 850,000 Treasury shares in the period from May 17 to July 25, 2024, thus completing the share buyback program. The purchase price excluding transaction costs amounted to €22,319k.

A total of 386,435 Treasury shares were issued under the employee stock ownership program until December 31, 2024.

As of the balance sheet date of December 31, 2024, IONOS Group SE held 463,565 Treasury shares. This corresponds to approximately 0.3% of the issued capital.

41. Non-controlling interests

The non-controlling interests as of December 31, 2024, relate to minority interests in premium.pl Sp. z o.o., Szczecin, Poland (25.00% of the share capital).

The following financial information summarizes the information on assets, liabilities, profit or loss of the subsidiaries with significant non-controlling interests.

in €k	2024	2023
Current assets	708	653
Non-current assets	7	13
Current liabilities	99	81
Non-current liabilities	0	1
Equity	**617**	**583**
Revenue from contracts with customers	713	635
Pre-tax result	**32**	**70**
Income taxes	–9	–15
Net income	**24**	**55**

42. Additional disclosures on financial instruments

The following table shows the carrying amounts of each category of financial assets and liabilities as of December 31, 2024:

in €k	Measurement category acc. to IFRS 9	Carrying amount as of Dec. 31, 2024	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of Dec. 31, 2024
Financial assets						
Cash and cash equivalents	ac	30,180	30,180	0	0	30,180
Trade accounts receivable	ac	91,492	91,492	0	0	91,492
Receivables from related parties	ac	88,487	88,487	0	0	88,487
Other current financial assets	ac	16,305	16,305	0	0	16,305
Other non-current financial assets	ac	761	761	0	0	673

in €k	Measurement category acc. to IFRS 9	Carrying amount as of Dec. 31, 2024	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of Dec. 31, 2024
Financial liabilities						
Trade accounts payable	flac	–112,311	–112,311	0	0	–112,311
Liabilities to related parties	flac	–176,280	–176,280	0	0	–175,801
Liabilities due to banks	flac	–797,679	–797,679	0	0	–810,634
Other financial liabilities						
Lease liabilities	n/a	–117,555	0	0	–117,555	n/a
Contingent purchase price liabilities	fvtpl	–23,653	0	–23,653		–23,653
Other	flac	–22,879	–22,879	0	0	–22,879
Thereof aggregated acc. to measurement categories:						
Financial assets at amortized cost	ac	227,225	227,225	0	0	227,137
Financial liabilities at amortized cost	flac	–1,109,149	–1,109,149	0	0	–1,121,625
Financial liabilities measured at fair value through profit or loss	fvtpl	–23,653	0	–23,653	0	–23,653

The following net results were reported for the individual categories of financial instruments in accordance with IFRS 9 in the 2024 fiscal year:

in €k	Measurement category acc. to IFRS 9	from interest and dividends	Net gains and losses from subsequent measurement: Measurement at fair value	Currency translation	Value adjustment	Other	Net result
Financial assets at amortized cost	ac	2,844	0	–2,695	–17,054	0	–16,906
Financial liabilities at amortized cost	flac	–57,868	0	–1,155	0	0	–59,023
Financial liabilities measured at fair value							
- through profit or loss	fvtpl	**0**	**–12,646**	**0**	**0**	**0**	**–12,646**
Total		–55,024	–12,646	–3,850	–17,054	0	–88,575

Income and expenses from the measurement of liabilities to be measured at fair value are reported under financial income and financial expenses.

The following table shows the carrying amounts of each category of financial assets and liabilities as at 31.12.2023:

in €k	Measurement category acc. to IFRS 9	Carrying amount as of Dec. 31, 2023	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of Dec. 31, 2023
Financial assets						
Cash and cash equivalents	ac	22,652	22,652	0	0	22,652
Trade accounts receivable	ac	73,512	73,512	0	0	73,512
Receivables from related parties	ac	63,094	63,094	0	0	63,094
Other current financial assets	ac	28,313	28,313	0	0	28,313
Other non-current financial assets	ac	761	761	0	0	673

in €k	Measurement category acc. to IFRS 9	Carrying amount as of Dec. 31, 2023	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of Dec. 31, 2023
Financial liabilities						
Trade accounts payable	flac	–89,227	–89,227	0	0	–89,227
Liabilities to related parties	flac	–356,292	–356,292	0	0	–373,671
Liabilities due to banks	flac	–797,587	–797,587	0	0	–811,903
Other financial liabilities						
Lease liabilities	n/a	–124,610	0	0	–124,610	n/a
Contingent purchase price liabilities	fvtpl	–10,922	0	–10,922		–10,922
Othe	flac	–28,279	–28,279	0	0	–28,279
Thereof aggregated acc. to measurement categories:						
Financial assets at amortized cost	ac	188,332	188,332	0	0	188,244
Financial liabilities at amortized cost	flac	–1,271,385	–1,271,385	0	0	–1,303,080
Financial liabilities measured at fair value through profit or loss	fvtpl	–10,922	0	–10,922	0	–10,922

The following net results were reported for the individual categories of financial instruments in accordance with IFRS 9 in the 2023 fiscal year:

			Net gains and losses from subsequent measurement				
in €k	Measurement category acc. to IFRS 9	from interest and dividends	Measurement at fair value	Currency translation	Value adjustment	Other	Net result
Financial assets at amortized cost	ac	1,160	0	–484	–14,143	0	–13,467
Financial liabilities at amortized cost	flac	–81,365	0	–207	0	0	–81,572
Financial liabilities at fair value							
- through profit or loss	fvtpl	0	22,881	0	0	0	22,881
Total		–80,205	22,881	–691	–14,143	0	–72,158

The methods and assumptions used to determine the fair values are as follows:

- Cash and cash equivalents, trade receivables, trade payables, current receivables from and liabilities to related parties and other current assets and liabilities are very close to their carrying amount, mainly due to the short maturities of these instruments. The same applies to current liabilities to banks.
- Liabilities in connection with finance leases show slight differences between the carrying amount and fair value due to the change in interest rates.
- The fair value of financial assets and financial liabilities is stated at the amount for which the instrument could be exchanged in a current transaction (other than a forced sale or liquidation) between willing parties.

- Long-term fixed-interest and variable-interest receivables / loans are valued by IONOS based on parameters such as interest rates, certain country-specific risk factors and the creditworthiness of the individual debtors. Based on this valuation, value adjustments are made to take account of expected defaults on these receivables. As at December 31, 2024, the carrying amounts of these receivables, less valuation allowances, did not differ significantly from their calculated fair values.
- The fair value of other financial liabilities and fixed-interest non-current liabilities to related parties is estimated by discounting future cash flows using interest rates currently available for borrowed capital at comparable conditions, credit risks and residual terms. Option price models are primarily used for the measurement of contingent purchase price liabilities.
- The fair value of unquoted financial assets and liabilities measured at fair value is estimated using appropriate valuation techniques.

Fair value hierarchy

IONOS uses the following hierarchy to determine and report the fair value of financial instruments for each valuation method:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: methods in which all input parameters that have a significant effect on the recognized fair value are either directly or indirectly observable.

Level 3: methods that use inputs that have a significant effect on the recognized fair value and are not based on observable market data.

Assets and liabilities measured at fair value

in €k	As of Dec. 31, 2024	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through profit or loss				
Contingent purchase price liability	–23,653	0	0	–23,653

As in the previous year, there were no reclassifications between the measurement levels during the reporting period.

in €k	As of Dec. 31, 2023	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through profit or loss				
Contingent purchase price liability	–10,922	0	0	–10,922

The significant unobservable inputs for the fair value measurements categorized in Level 3 of the fair value hierarchy and a quantitative sensitivity analysis as at 31 December 2024 and 31 December 2023 are presented below:

Dec. 31, 2024	Measurement method	Main nonobservable inputs	Considered in measurement	Sensitivity of input on fair value	Sen- sitiv- ty of nput on fair value
Contingent purchase price liability	Black Scholes	Maturity	0.5 years	+0.75 years	+0.25 years
				€–1.7 million	€+3,1 million
		Volatility	35.0%	+1%	–1%
				€–0,3 million	€+0,3 million

Dec. 31, 2023	Measurement method	Main nonobservable inputs	Considered in measurement	Sensitivity of input on fair value	
Contingent purchase price liability	Black Scholes	Maturity	0.25 years	+0.50 years	n.a.
				€+1,2 million	n.a.
		Volatility	33.7%	+1%	–1%
				€+0,1 million	€–0,1 million

Reconciliation of the measurement to fair value in Level 3:

in €k	Contingent purchase price liability
Balance as of Jan. 1, 2023	**–38,219**
Changes in value recognized in finance cost	–7,814
Changes in value recognized in finance income	30,695
Derecognition	4,416
Balance as of Dec. 31, 2023	**–10,922**
Changes in value recognized in finance cost	–15,155
Changes in value recognized in finance income	2,424
Derecognition	0
Balance as of Dec. 31, 2024	**–23,653**

43. Related party disclosures

Related parties within the meaning of IAS 24 are persons and companies if one of the parties has the ability to control or exercise significant influence over the other party.

In addition to the Executive Board and Supervisory Board of IONOS Group SE and IONOS Holding SE and their close family members, the Group's related parties also include the United Internet AG Group companies that are not part of the IONOS consolidation group. In addition, investments over which the United Internet Group companies can exercise significant influence (associated companies), as well as their subsidiaries, are classified as related companies. Furthermore, Mr. Ralph Dommermuth, as the major shareholder of United Internet AG, is classified as a related party.

Executive Board and Supervisory Board

The members of the Executive Board and Supervisory Board of IONOS Group SE and IONOS Holding hold a key position in the Group and are therefore classified as related parties. The Executive Board of IONOS Holding SE is composed of the same persons as the Executive Board of IONOS SE.

Executive Board

In the 2024 fiscal year, the Executive Board of IONOS Group SE (as the group parent company) and IONOS Holding SE consisted of the following members:

IONOS Group SE:

- Achim Weiß, (CEO)
- Britta Schmidt, (CFO)
- Dr. Jens-Christian Reich, (CCO)

IONOS Holding SE:

- Achim Weiß (CEO)
- Britta Schmidt, (CFO)
- Hüseyin Dogan (CPO)
- Dr. Markus Noga (CTO)
- Dr. Jens-Christian Reich (CCO)
- Anne Claudia Frese (until Dec. 31, 2024)
- Arthur Mai (CMO)

The Supervisory Board is responsible for determining the remuneration of the Executive Board. The remuneration of the members of the Executive Board should be performance-related. It contains a fixed and a variable component (bonus / profit-sharing) plus share-based compensation. A target income is set for the fixed remuneration and the bonus, which is regularly reviewed. The fixed remuneration and fringe benefits are paid monthly. The amount of the bonus depends on the achievement of specific financial targets that are set at the beginning of the fiscal year and are based primarily on sales and earnings figures.

Target achievement ranges from 90% to 150%. The bonus payment ends at 150% target achievement. No minimum bonus is guaranteed. Payment is made after the Supervisory Board has adopted the consolidated financial statements. In addition, there is an employee participation program. For details, please refer to the comments under 37. Share-based payment.

The short-term benefits of the Executive Board and Supervisory Board of IONOS Group SE and IONOS Holding SE for the 2024 fiscal year are divided as follows into fixed and variable compensation and fringe benefits:

in €k	2024	2023
Fixed remuneration	3,419	3,315
Variable remuneration not including share-based payments	1,768	1,849
Ancillary benefits	94	245
Total	**5,281**	**5,409**

The variable remuneration for the 2024 fiscal year has not yet been paid out as of December 31, 2024, and is included in a provision.

There are no pension commitments from IONOS Group SE to the members of the Executive Board.

The expenses for share-based payments recognized in the consolidated financial statements for the members of the Executive Board amounted to €0k (previous year: €1,008k) in connection with the LTIP and to €5,363k (previous year: €5,706k) in connection with the SAR.

The total remuneration of the Management Board and Supervisory Board in accordance with IAS 24 is as follows:

in €k	2024	2023
Payments due in the short-term	5,281	5,334
Benefits due to termination of the employment relationship	0	75
Share-based payment	5,363	6,714
Total	**10,644**	**12,123**

The total remuneration of the Executive Board within the meaning of Section 314 (1) no. 6 a and b HGB, i.e., including the market values of the share-based payments granted in 2024, amounted to €2,695k in the fiscal year (previous year: €19,596k). The decline in the 2024 fiscal year is due to the SAR program granted in the previous year for the members of the Executive Board. No new SAR program was issued for the members of the Executive Board in the 2024 fiscal year.

Supervisory Board

In the 2024 fiscal year, the supervisory boards of IONOS Group SE and IONOS Holding SE consisted of the following members:

IONOS Group SE:

- Ralph Dommermuth (chair)
- René Obermann (deputy chair)
- Dr. Claudia Borgas-Herold
- Kurt Dobitsch
- Martin Mildner (until Sep. 30, 2024)
- Vanessa Stützle

IONOS Holding SE:

- Ralf Hartings (chair)
- Lutz Laffers (deputy chair)
- Ralph Dommermuth

In the 2024 fiscal year, the members of the Supervisory Board of IONOS Group SE received total remuneration in accordance with IAS 24 (to be fully allocated to short-term benefits) and total remuneration in accordance with Section 314 (1) no. 6 a and b HGB for performing their supervisory board functions:

2024

in €k	Fixed	Attendance fee	Total
Ralph Dommermuth[1]	0	0	0
René Obermann[2]	0	0	0
Dr. Claudia Borgas-Herold	60	4	64
Martin Mildner[3]	45	3	48
Vanessa Stützle	49	4	53
Kurt Dobitsch	65	4	69
Total	**219**	**15**	**234**

[1] As CEO of the Group's parent company United Internet AG, Ralph Dommermuth did not receive compensation for his supervisory board activities.
[2] As Deputy Chairman of the Board of Management, René Obermann voluntarily waived his right to receive compensation for his sup ervisory board activities.
[3] The remuneration was paid in the fiscal year

The remuneration consists of a fixed annual remuneration and attendance fees. The remuneration is due after the end of the financial year, so that a provision in the same amount is taken into account. In the previous year, the total remuneration for the Supervisory Board amounted to €182k.

Transactions with related parties

. Related parties of IONOS include the United Internet AG Group companies that are not part of the IONOS consolidation group. In addition, investments over which the United Internet Group companies can exercise significant influence (associated companies), as well as their subsidiaries, are classified as related companies.

Current receivables from related parties as of December 31, 2024, and December 31, 2023, are as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
United Internet AG	84,709	59,620
1&1 Mail & Media GmbH	2,536	1,870
1&1 Versatel GmbH	128	664
1&1 Telecommunication SE	528	396
1&1 Mail & Media Inc.	183	209
1&1 Telecom GmbH	264	209
United Internet Media GmbH	56	62
Other	83	64
Receivables from related parties	**88,487**	**63,094**

Receivables from related parties mainly comprise receivables from the cash pool (€84,645k; previous year: €59,636k) and trade receivables (€3,842k; previous year: €3,458k). IONOS Group SE acts as an intermediate consolidation company for the cash pool with United Internet AG and its subsidiaries. The outstanding balances from cash pooling at the end of the fiscal year are unsecured, interest-bearing and generally settled in cash. There are no guarantees for receivables from related parties. There were no valuation allowances on receivables from related parties in fiscal years 2023 and 2024. In addition, as of December 31, 2024, receivables from associated companies amounted to €0k (previous year: €7k).

The current liabilities to related parties as of December 31, 2024, and December 31, 2023, are as follows:

in €k	Dec. 31, 2024	Dec. 31, 2023
United Internet Corporate Services GmbH	3,137	3,593
1&1 Telecommunication SE	1,266	827
A1 Marketing, Kommunikation und neue Medien GmbH	1,511	1,639
United Internet Sourcing & Apprenticeship GmbH	124	125
Other	242	108
Liabilities to related parties	**6,280**	**6,292**

Liabilities to related companies concern trade accounts payable. The balances outstanding at the end of the fiscal year are unsecured, non-interest bearing and will be settled in cash. There are no guarantees. In addition, as of December 31, 2024, there are liabilities to associated companies of the United Internet Group in the amount of €898k (prior year: €198k).

As of December 31, 2024, non-current liabilities to related parties consist of a long-term loan between IONOS Holding SE and United Internet AG and amount to €170,000k (prior year: €350,000k). The loan matures on December 15, 2026, and bears interest at a rate of 6.75% p.a.

The following table shows the total amount of transactions with related parties in the fiscal years 2024 and 2023:

Purchases/services from related parties 2024 in €k	Sales/services to related parties 2024 in €k	Purchases/services from related parties 2023 in €k	Sales/services to related parties 2023 in €k
62,766	45,699	63,852	53,492

The services purchased from related parties mainly relate to the provision of SAP licenses, support for the associated IT systems, and financial accounting, which are provided to IONOS by 1&1 Telecommunication SE, as well as marketing services, which are purchased by IONOS from A1 Marketing, Kommunikation und neue Medien GmbH, Montabaur. The invoicing process is handled and provided by 1&1 Telecom GmbH and A1 Marketing, Kommunikation und neue Medien GmbH for IONOS. Rental expenses for business premises rented by Ralph Dommermuth and his close family members, as well as by companies attributable to them, are also shown as services purchased from related parties. The decline in purchases/services from related parties decreased from €63,852k in the reporting year 2023 to €62,766k in the fiscal year 2024. This is mainly due to the lower purchasing volume for advertising services from A1 Marketing, Kommunikation und neue Medien GmbH, Montabaur.

The IONOS Group SE and its subsidiaries own and operate the nine data centers of the United Internet Group. Sales to and services provided for related parties involve, among other things, the provision of data center services for the Consumer Access and Consumer Applications segments of the United Internet Group.

It also includes purchases of services from associates of United Internet AG amounting to €14,407k (prior year: €12,404k). The purchases of services mainly concern Open Xchange GmbH (€6,050k; previous year: €5,031k), a subsidiary of Ranking Coach GmbH (€6,199k; previous year: €4,868k), and uberall GmbH (€2,081k; previous year: €2,399k).

The following table shows the interest expenses and interest income with related parties in the respective

fiscal year:

Interest income 2024 in €k	Interest expenses 2024 in €k	Interest income 2023 in €k	Interest expenses 2023 in €k
2,684	19,061	890	80,112

Interest income and interest expenses with related parties mainly relate to interest on cash pool balances and loan relationships.

The service relationships with related parties have been settled at market conditions.

Other disclosures on transactions with related parties

In 2024, the business premises of IONOS in Montabaur and other group locations are partly rented by Mr. Ralph Dommermuth or companies attributable to him, as well as close family members or companies attributable to them. The rental contracts are based on joint agreements with United Internet Corporate Services GmbH, Montabaur, 1&1 Telecommunication SE, Montabaur, and 1&1 Mail & Media Applications SE, Montabaur. The corresponding rental contracts have different terms ending between March 2033 and September 2035. The corresponding rental expenses are at the usual local level and amounted to €4,481k in fiscal year 2024 (previous year: €4,094k).

The following tables show rights of use in connection with related parties.

in €k	Carrying amount as of Jan. 1, 2024	Addition to fiscal year	Disposal	Depreciation	Carrying amount as of Dec. 31, 2024
Right-of-use assets	35,859	990	–349	–3,517	32,983

in €k	Carrying amount as of Jan. 1, 2023	Addition to fiscal year	Disposal	Depreciation	Carrying amount as of Dec. 31, 2023
Right-of-use assets	37,611	1,280	–948	–3,535	34,019

The following tables show lease liabilities in connection with related parties.

in €k	Carrying amount as of Jan. 1, 2024	Addition to fiscal year	Disposal	Depreciation	Carrying amount as of Dec. 31, 2024
Lease liability	37,483	990	–349	–2,984	35,140

in €k	Carrying amount as of Jan. 1, 2023	Addition to fiscal year	Disposal	Depreciation	Carrying amount as of Dec. 31, 2023
Lease liability	38,622	1,280	–948	–2,582	36,372

The opening balances have increased compared to the closing figures for the previous year due to the extension of the scope of IAS 24 to include rights of use and lease liabilities.

44. Objectives and methods of financial risk management

Principles of risk management

The system of the risk management system introduced in the Group is based on the COSO ERM framework and is described in detail in the management report.

The basic principles of financial policy are determined by the Executive Board and monitored by the Supervisory Board. Certain transactions require the prior approval of the Supervisory Board.

The main financial liabilities used by IONOS include liabilities to related parties, trade payables and other financial liabilities.

IONOS has various financial assets that result directly from its business activities. They mainly comprise trade receivables and current receivables from related parties. In addition, there are financial assets in the form of long-term loans and shares in other companies.

As at the balance sheet date, IONOS essentially had primary financial instruments. The aim of financial risk management is to limit these risks through ongoing operating and finance-oriented activities. With regard to its assets, liabilities and planned transactions, IONOS is particularly exposed to liquidity risks and market risks, which are presented below.

Liquidity risk

Liquidity risk is the risk that a company may have difficulties in meeting the payment obligations arising from its financial liabilities. For IONOS, the liquidity risk is basically the risk, unchanged from the previous year, that the companies included in the Group may not be able to meet their financial obligations.

IONOS is integrated into the United Internet Group's cash management system. The United Internet Group's cash management system centrally calculates all cash requirements and surpluses worldwide. By netting cash requirements and surpluses within the Group, the number of external bank transactions is reduced to a minimum. Netting is carried out using the cash pooling method. IONOS Group SE has established standardized processes and systems to manage its bank accounts and internal clearing accounts and to carry out automated payment transactions. In addition to operating liquidity, IONOS also maintains other liquidity reserves that are available at short notice.

The following table shows all contractually fixed payments for redemptions, repayments and interest from financial liabilities recognized in the balance sheet as of December 31, 2024, and 2023. There is no contractual obligation to repay the liabilities to banks and to related parties before the end of 2026. The repayments unilaterally planned by IONOS were taken into account for the loan liability to third parties. There was no contractual obligation to repay the remaining loan liabilities to related parties of €170,000k as of December 31, 2024 (previous year: €350,000k) before the end of 2026. In the reporting year, a portion of the loan liabilities to affiliated companies in the amount of €180,000k was repaid.

	Carrying amount	Cash outflow for redemptions and interest in the fiscal year					
in €k	Dec. 31. 2024	2025	2026	2027	2028	> 2028	Total
Liabilities due to banks	797,679	37,422	835,786	0	0	0	873,208
Trade accounts payable	112,311	112,311	0	0	0	0	112,311
Lease liabilities	117,555	18,836	16,752	16,033	15,215	70,200	137,036
Other financial liabilities	49,450	43,811	5,225	0	0	414	49,450
Liabilities to related parties	176,280	182,126	0	0	0	0	182,126

in €k	Carrying amount Dec. 31. 2023	Cash outflow for redemptions and interest in the fiscal year 2024	2025	2026	2027	> 2027	Total
Liabilities due to banks	797,587	38,445	37,320	835,786	0	0	911,551
Trade accounts payable	89,227	89,227	0	0	0	0	89,227
Lease liabilities	124,610	18,273	15,795	15,421	14,751	79,991	144,231
Other financial liaabilities	39,201	33,797	92	5,046	0	266	39,201
Liabiities to related parties	356,292	151,022	136,121	103,422	0	0	390,565

Market risk

The Group's activities are primarily exposed to financial risks from changes in interest rates, exchange rates and credit and default risk.

Interest rate risk

Interest rate (change) risk is the risk that fair values or future interest payments on existing and future financial liabilities will fluctuate due to changes in market interest rates. As at December 31, 2024, there were mainly fixed-interest liabilities to banks and related parties. These are not subject to any interest rate risk affecting profit or loss.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. IONOS operates internationally and is therefore exposed to foreign currency risk based on changes in the exchange rates of various foreign currencies, primarily the US dollar, pound sterling, Polish zloty and euro. The Group is primarily exposed to exchange rate risks from its business activities (if sales revenues and / or expenses are denominated in a currency other than the Group's functional currency), loans, liabilities to related parties, and net investments in foreign subsidiaries.

The currency risk of IONOS results from investments, financing measures and operating activities. Foreign currency risks that do not affect the company's cash flows (i.e., risks resulting from the translation of assets and liabilities of foreign entities into the Group's reporting currency) remain unhedged as a matter of principle.

The following table shows the sensitivity to a reasonably possible change in the exchange rate of the dollar, pound sterling and Polish zloty. All other variables remain constant. The effects on consolidated earnings after taxes result from changes in the fair values of monetary assets and liabilities. See below for the effects of exchange rate movements at +/-10%.

Change in USD rate	2024 Effect on net income (€k)	2023 Effect on net income (€k)
+10%	–9,502	–8,423
–10%	9,598	8,475

Change in GBP rate	2024 Effect on net income (€k)	2023 Effect on net income (€k)
+10%	–3,481	–1,377
–10%	3,557	1,417

Change in PLN rate	2024 Effect on net income (€k)	2023 Effect on net income (€k)
+10%	–182	–63
–10%	223	77

Currency risks arise from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature; exchange rate-related differences from the translation of financial statements into the Group currency are not taken into account.

Credit and default risk

IONOS is exposed to default risk due to its business activities. In order to reduce default risks, an elaborate fraud management system has been established, which also has a preventive effect and is constantly being developed further. Outstanding receivables are continuously monitored on a decentralized, division-specific basis. Unavoidable default risks are taken into account by means of individual value adjustments and lump-sum individual value adjustments.

With regard to trade receivables, the maximum credit risk is the gross amount of the receivable recognized in the balance sheet before valuation allowances. Trade receivables that are not impaired as at the balance sheet date are broken down in Note 19 according to the time bands in which they are overdue.

There are no significant concentrations of credit risk at IONOS.

Risks from financial covenants

The loan liability due to banks of IONOS Holding SE is tied to so-called financial covenants (loan conditions). A breach of a certain net debt-to-EBITDA ratio could result in the individual lenders being able to terminate the loan outstanding with the company. In view of IONOS's current low net debt to EBITDA ratio, the probability of this occurring is considered low. The Executive Board continuously monitors compliance with the covenants, which was ensured throughout the year.

Capital management

As the parent company of the Group, IONOS Group SE is not subject to any further statutory or contractual obligations to maintain capital beyond the provisions of the German Stock Corporation Act. The key financial figures used by the company for corporate management purposes are predominantly performance- oriented. The objectives, methods and processes of capital management are subordinate to the performance-oriented financial indicators (see explanations in section 2.3 on the net assets, financial position and results of operations in the Group management report).

In order to maintain or adjust the capital structure, the company may adjust dividend payments to shareholders or repay capital to shareholders, acquire Treasury shares and place them again if necessary or issue new shares.

45. Contingent liabilities and other obligations

As of December 31, 2024, the following other financial obligations existed that did not constitute leases:

in €k	2024	2023
Up to 1 year	15,608	5,243
1 to 5 years	7,614	13,955
Over 5 years	9,379	5,240
Total*	**32,601**	**24,438**

* The information is provided on the basis of contractual minimum terms.

Other financial obligations mainly include ancillary costs from building leases.

As of the balance-sheet date, there were purchase obligations for property, plant and equipment in a total amount of €12,847k (previous year: €12,096k) and for intangible assets in a total amount of €0k (previous year: €1,309k).

The integration of IONOS Group SE into the two-tier cash pooling system of the parent company United Internet AG results in a positive balance from offsetting the liabilities from cash pooling of the companies of the United Internet Group against the credit balance of the parent company, which means that there is no joint and several liability risk.

Beyond this, the Management Board is not aware of any facts that could have a material adverse effect on the company's business activities, financial circumstances or business results.

46. Leases

Group as lessee

The obligations mainly comprise obligations for the rental of buildings and vehicles.

There are options to extend the contractual relationships with regard to the majority of rental agreements. The conditions of these extension options are freely negotiable or identical to the current conditions. The company currently intends to exercise all significant extension options. The company does not intend to exercise any significant termination options.

The following expenses from leases were incurred in the fiscal year:

in €k	2024	2023
Depreciation of right-of-use assets		
- Land and buildings	14,668	14,618
- Operating and office equipment	1,180	1,142
Total depreciation of right-of-use assets	**15,848**	**15,760**
Interest expense from lease liabilities	4,872	4,280
Expense for short-term leases	378	298
Expense for low-value leases	154	106

As of December 31, 2024, the carrying amounts of the right-of-use assets by class of underlying assets were as follows:

in €k	Carrying amount as of Dec. 31, 2024	Carrying amount as of Dec. 31, 2023
Land and buildings	104,409	112,404
Operating and office equipment	1,314	1,796
Total right-of-use assets	**105,723**	**114,200**

Lease obligations existing as of December 31, 2024, have the following terms:

in €k	Carrying amount as of Dec. 31, 2024	Carrying amount as of Dec. 31, 2023
Up to 1 year	14,266	14,387
1 to 5 years	50,013	49,352
Over 5 years	53,275	60,871
Total	**117,555**	**124,610**

As of December 31, 2024, the lease obligations developed as follows:

in €k	2024	2023
As of January 1	124,610	129,068
Additions	14,581	11,805
Interest effect	4,872	4,280
Payments	–19,148	–19,201
Disposals	–7,361	–1,343
Income from foreign currency translation	1	1
As of December 31	117,555	124,610
thereof current	14,266	14,387
thereof non-current	103,288	110,223

Payments due to leasing obligations are reported under cash flow from financing activities.

Group as lessor

Since 2022, the Group has acted as lessor of finance leases as part of the subletting of office buildings. Current receivables from finance leases are reported under trade receivables. The reconciliation of the gross investment in the leases to the present value of the outstanding minimum lease payments and their maturities is as follows:

in €k	2024	2023
Gross investments		
thereof due in up to 1 year	420	403
thereof due in 1 to 5 years	1,764	1,738
thereof due in more than 5 years	975	1,429
Unearned finance income	–246	–315
Net investments	2,913	3,255
Accumulated impairment	0	0
Carrying amount of finance lease receivables	**2,913**	**3,255**

47. Cash flow statement

The subtotal “Cash flow from operating activities” was changed in the presentation of the cash flow in the 2024 financial year. The “Cash flow from operating activities” reported in the 2023 fiscal year will be named “Cash flow before changes in balance sheet items (subtotal)” in the reporting year in order to more clearly distinguish it from the “Cash flow from operating activities”. The “cash flow before changes in balance sheet items” is derived from the net profit, adjusted for non-cash items. These include, among other things, depreciation and amortization, the at-equity result, deferred taxes, and interest and financing expenses. This subtotal represents the cash inflow from operating activities before changes in working capital and other balance sheet items are taken into account.

In the fiscal year 2024, cash flows from operating activities include interest received in the amount of €217k (prior year: €3,124k). In the financial year 2024, payments for taxes on income amounted to €64,399k (previous year: €76,808k) and receipts for taxes on income to €1,141k (previous year: €16,728k). Net cash inflows from at-equity investments and associated companies amounted to €115k (previous year: €156k).

In the reporting period, cash flow from investing activities amounted to € -100,313k and was slightly below the figure for fiscal year 2023. At €-23,983k, cash outflows from the increase in excess liquidity invested with United Internet AG were €3,519k lower than in the previous year. Investments in intangible assets and property, plant and equipment also fell by €4,827k compared to the previous year. Investments in servers amounted to €54,594k.

Cash flows from financing activities increased significantly due to the repayment of the loan from United Internet AG (€180,000k; previous year: €95,000k). Interest paid in fiscal year 2024 amounts to €62,770k (prior year: €94,604k) and mainly consists of further loan repayments to United Internet AG. In addition, the lower interest rate level contributed to the refinancing of the loan concluded with a banking syndicate in fiscal year 2023.

Changes in cash pool receivables from related parties are allocated to the investment area due to their nature.

Reconciliation of the change in financial liabilities recognized in the balance sheet:

		Cash-effective changes		Non-cash changes			
in €k	Jan. 1, 2024	Reception	Redemption	Interest payments	Changes	Interest	Dec. 31, 2024
Loans from banks	797,586	0	0	-38,837	80	38,850	797,679
Summarized loan	350,000	0	-180,000	-19,061	0	19,061	170,000
Lease liabilities	124,610	0	-14,276	-4,872	7,221	4,872	117,555
Total	**1,272,196**	**0**	**-194,276**	**-62,770**	**7,301**	**62,783**	**1,085,234**

		Cash-effective changes		Non-cash changes			
in €k	Jan. 1, 2023	Reception	Redemption	Interest payments	Changes	Interest	Dec. 31, 2023
Loans from banks	0	800,000	0	-3,605	66	1,125	797,586
Vendor loan	819,000	0	0	-11,206	-814,732	6,938	0
Loans STRATO/World4You	426,000	0	0	-5,559	-423,883	3,442	0
Summarized loan	0		-895,000	-69,954	1,245,000	69,954	350,000
Lease liabilities	129,068	0	-14,920	-4,280	10,462	4,280	124,610
Total	**1,374,068**	**800,000**	**-909,920**	**-94,604**	**16,913**	**85,739**	**1,272,196**

48. Exemption pursuant to section 264 (3) and section 264b German Commercial Code (HGB)

The following subsidiaries of IONOS Group SE make use of exemptions in accordance with Section 264 (3) HGB:

- IONOS Holding SE, Montabaur
- IONOS SE, Montabaur
- IONOS Service GmbH, Montabaur
- STRATO GmbH, Berlin
- STRATO Customer Service GmbH, Berlin
- Cronon GmbH, Berlin
- we22 GmbH, Cologne
- we22 Solutions GmbH, Berlin
- CM4all GmbH, Cologne
- united domains GmbH, Starnberg

49. Subsequent events

On January 21, 2025, the Executive Board of IONOS Group SE, with the approval of the Supervisory Board and based on the authorization of the Extraordinary General Meeting on January 26, 2023, decided to launch a share buyback program and to acquire up to 1,500,000 of Treasury shares (corresponding to approximately 1.1% of the issued capital of €140,000,000) via the stock exchange. The total volume of the buyback program is up to €40 million (excluding incidental costs of acquisition).

The buyback program is to be completed by December 31, 2025, at the latest. The buyback will be carried out, among other things, to service claims arising from employee share ownership programs, but can in principle be used for all purposes stated in the authorization by the Annual General Meeting.

50. Auditor's fees

In the 2024 fiscal year, the auditor's fees included in the consolidated financial statements totaled €1,756k (previous year: €2,308k). Of this, €1,679k (previous year: €1,720k) relates to audit services and €77k (previous year: €588k) to other assurance services. These primarily include confirmation services in connection with covenant reports, the audit of the electricity price brake and audit support for the billing carve-out project.

51. Corporate governance codex

The declaration in accordance with Section 161 of the German Stock Corporation Act (AktG) on compliance with the German Corporate Governance Code has been issued by the Executive Board and the Supervisory Board and is available to the shareholders of IONOS Group SE (www.ionos-group.com).

Montabaur, March 21, 2025

Achim Weiß   Britta Schmidt   Dr. Jens Reich

APPENDIXES

Development of intangible assets and property, plant and equipment 2024

		Acquisition and production cost						Accumulated amortization, depreciation and impairment					Carrying amounts	
in €k		Jan. 1, 2024	Additions	Disposals	Reclassifications	Exchange rate differences	Dec. 31, 2024	Jan. 1, 2024	Additions	Disposals	Exchange rate differences	Dec. 31, 2024	Dec. 31, 2024	Dec. 31, 2023
I.	**Intangible assets**													
1.	Software/licenses	81,235	3,804	3,368	47	246	81,964	69,582	6,648	3,367	203	73,066	8,898	11,653
2.	Trademarks	53,368	0	2	0	373	53,739	2,738	0	2	2	2,738	51,001	50,630
3.	Customer base	304,639	0	0	0	1,374	306,013	215,399	18,246	0	1,298	234,943	71,070	89,240
4.	Goodwill	883,761	0	0	0	4,037	887,798	57,490	0	0	164	57,654	830,144	826,271
5.	Internally generated intangible assets	7,038	1,847	8	0	117	8,994	1,900	663	0	38	2,601	6,393	5,138
6.	Other intangible assets	5,111	1,693	0	0	95	6,899	1,723	228	0	46	1,997	4,902	3,388
7.	Payments on account	4,125	606	0	–1,385	0	3,346	0	0	0	0	0	3,346	4,125
Total (I)		**1,339,277**	**7,950**	**3,378**	**–1.338**	**6,242**	**1,348,753**	**348,832**	**25,785**	**3,369**	**1,751**	**372,999**	**975,754**	**990,445**
II.	**Property, plant and equipment**													
1.	Land and buildings	25,595	72	10	351	770	26,778	8,284	521	10	30	8,825	17,953	17,311
2.	Operating and office equipment	507,377	67,535	35,729	2,046	8,653	549,882	322,286	69,893	35,262	6,666	363,583	186,299	185,091
3.	Payments on account	5,212	1,314	0	–1,059	89	5,556	153	0	25	2	130	5,426	5,059
4.	Right-of-use assets	174,141	14,582	13,300	0	438	175,861	59,941	15,848	5,940	288	70,137	105,724	114,200
Total (II)		**712,325**	**83,503**	**49,039**	**1,338**	**9,950**	**758,077**	**390,664**	**86,262**	**41,237**	**6,986**	**442,675**	**315,402**	**321,661**
Sum total		**2,051,602**	**91,453**	**52,417**	**0**	**16,192**	**2,106,830**	**739,496**	**112,047**	**44,606**	**8,737**	**815,674**	**1,291,156**	**1,312,106**

Development of intangible assets and property, plant and equipment 2023

in €k		Acquisition and production cost						Accumulated amortization, depreciation and impairment					Carrying amounts	
		Jan. 1, 2023	Additions	Disposals	Reclassifications	Exchange rate differences	Dec. 31, 2023	Jan. 1, 2023	Additions	Disposals	Exchange rate differences	Dec. 31, 2023	Dec. 31, 2023	Dec. 31, 2022
I.	**Intangible assets**													
1.	Software/licenses	94,557	3,615	17,321	23	361	81,235	80,153	6,444	17,321	306	69,582	11,653	14,404
2.	Trademarks	52,474	0	4	0	898	53,368	2,742	0	4	0	2,738	50,630	49,732
3.	Customer base	302,158	16	1	0	2,466	304,639	195,304	18,158	1	1,938	215,399	89,240	106,854
4.	Goodwill	877,616	0	0	0	6,145	883,761	56,772		0	718	57,490	826,271	820,844
5.	Internally generated intangible assets	4,901	1,724	0	0	413	7,038	1,217	537	0	146	1,900	5,138	3,684
6.	Other intangible assets	3,224	1,979	60	0	–32	5,111	1,792	18	60	–27	1,723	3,388	1,432
7.	Payments on account	2,720	1,428	0	–23	0	4,125	0	0	0	0	0	4,125	2,720
Total (I)		**1,337,650**	**8,762**	**17,386**	**0**	**10,251**	**1,339,277**	**337,980**	**25,157**	**17,386**	**3,081**	**348,832**	**990,445**	**999,670**
II.	**Property, plant and equipment**													
1.	Land and buildings	25,028	64	0	177	326	25,595	7,425	857	0	2	8,284	17,311	17,603
2.	Operating and office equipment	532,830	67,210	94,121	3.235	–1,777	507,377	350,576	66,107	92,710	–1,687	322,286	185,091	182,254
3.	Payments on account	3,021	5,639	0	–3.412	–36	5,212	126	27	0	0	153	5,059	2,895
4.	Right-of-use assets	165,335	11,805	3,009	0	10	174,141	45,801	15,760	1,667	47	59,941	114,200	119,534
Total (II)		**726,214**	**84,718**	**97,130**	**0**	**–1,477**	**712,325**	**403,928**	**82,751**	**94,377**	**–1,638**	**390,664**	**321,661**	**322,286**
Sum total		**2,063,864**	**93,480**	**114,516**	**0**	**8,774**	**2,051,602**	**741,908**	**107,908**	**111,763**	**1,443**	**739,496**	**1,312,106**	**1,321,956**

INDEPENDENT AUDITOR'S REPORT

To IONOS Group SE, Montabaur

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of IONOS Group SE, Montabaur, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of IONOS Group SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover those parts of the group management report listed in the "Other information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs).

Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Revenue recognition

❷ Recoverability of goodwill

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ **Revenue recognition**

① In the consolidated financial statements of IONOS Group SE, revenue of EUR 1,514.6 million is recognized in the consolidated statement of comprehensive income. This significant item in terms of its amount is subject to particular risk due to the complexity of the processes and controls necessary for correct recognition and deferral, the impact of ever-changing business, price and tariff models (including tariff structures, customer discounts, incentives), and the existence of multiple-element arrangements. In addition, the accounting standard applicable to revenue recognition, IFRS 15 – Revenue from contracts with customers (IFRS 15), requires estimates and judgments in certain areas – such as determining the transaction price and allocating it to the performance obligations identified in a multiple-element arrangement based on the relative stand-alone selling prices – that had to be assessed for appropriateness in the context of our audit. Against this background, the accounting treatment of revenue was of particular significance in the context of our audit.

② In the knowledge that the complex nature of this matter and the need to make estimates and assumptions give rise to an increased risk of accounting misstatements, as part of our audit we began by assessing the processes and controls put in place by the Group, including the IT systems used for the purposes of revenue recognition. In particular, we assessed the IT system environment for billing and measurement, other relevant systems supporting the accounting treatment of revenue, and the billing and measurement systems right up to entries in the general ledger. Furthermore, we evaluated the transaction prices to be determined based on contracts with customers and their allocation to the performance obligations identified in a multiple-element arrangement on the basis of the relative stand-alone selling prices, and assessed whether these obligations were satisfied over time or at a point in time. In this context, we also assessed the appropriateness of the procedure used to allocate revenue to the correct period, and the estimates and judgments made by the executive directors with respect to revenue recognition and accrual/deferral. We took account of the increased inherent risk in the case of manual entries, in particular by performing additional analytical audit procedures, for instance by means of time series analysis. We also assessed the accounting consequences of new business, price and tariff models and the appropriateness of the associated changes to the processes and IT systems used for the purposes of revenue recognition. We applied consistent audit procedures for the audit of the operating subsidiaries to ensure that we responded appropriately throughout the Group to the inherent audit risk relating to revenue recognition. We were able to satisfy ourselves that the systems, processes and controls in place are appropriate and that the estimates and assumptions made by the executive directors with respect to revenue recognition are sufficiently documented and substantiated.

③ The Company's disclosures relating to revenue recognition in the consolidated financial statements of IONOS Group SE are contained in the sections "2 Accounting and measurement principles", "3. Significant judgments and accounting estimates" and "5. Segment reporting / Revenue" of the notes to the consolidated financial statements.

❷ **Recoverability of goodwill**

① Goodwill amounting in total to EUR 830.1 million (50.51% of total assets) is reported in the IONOS Group SE's consolidated financial statements. The Company tests goodwill for impairment once annually or when there are indications of impairment. The impairment test is carried out at the level of the respective cash-generating units to which the goodwill is allocated. The carrying amount of the relevant cash-generating unit, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined on the basis of fair value less costs of disposal. The present value of the future cash flows from the respective cash-generating unit normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted budget of the Group forms the starting point which is extrapolated based on assumptions about Group's medium-term business development and long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating unit. The impairment test determined that no write-downs were necessary. The outcome of the impairment tests is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective cash-generating units, the discount rate used, the rates of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuations, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the

calculation against the budget and the medium-term business plan of the Group prepared on this basis, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even relatively small changes in the respective discount rates applied and the respective underlying growth rates can have a material impact on the values of the entities calculated in this way, we focused our testing in particular on the parameters used to determine the respective discount rate and the respective underlying growth rates applied, and assessed the respective calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes relating to cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating unit including the allocated goodwill.
Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures relating to the "Goodwill" balance sheet item are contained in the sections "2 Accounting and measurement principles", "3. Significant judgments and accounting estimates " and "29. Goodwill and other intangible assets with indefinite useful lives" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the section “1.4 Main focus areas for products and innovations” of the group management report

- the disclosures marked as unaudited in the sections “2.2 Business development” and ”4. Internal control and risk management system” of the group management report

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in the section “6. Declaration on company management” of the group management report.

The other information comprises further

- the separate non-financial group report to comply with §§ 315b bis 315c HGB

- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible

- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file IONOS_Group_SE_KA+ZLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 15 May 2024. We were engaged by the supervisory board on 2 December 2024. We have been the group auditor of the IONOS Group SE, Montabaur, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Christian David Simon.

Düsseldorf, 21 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Erik Hönig Wirtschaftsprüfer [German Public Auditor]	Christian David Simon Wirtschaftsprüfer [German Public Auditor]

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Montabaur, March 21, 2025

The Management Board

Achim Weiß　　Britta Schmidt　　Dr. Jens Reich

General information

Imprint

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Notes:
For computational reasons, rounding differences to the exact mathematical values (monetary units, percentages, etc.) may occur in tables and references.
This annual report is available in German and English. Both versions are also available for download on the Internet at www.ionos-group.com. In case of doubt, the German version shall prevail.
For reasons of better readability, the masculine form is used in the annual report for gender-specific designations. IONOS would like to point out that the use of the masculine form is explicitly to be understood as gender independent.

Produced in-house with Firesys

Disclaimer:
This report contains forward-looking statements which reflect the current views of the Management Board of IONOS Group SE with regard to future events. These forward-looking statements are based on our current plans, estimates and expectations. Forward-looking statements speak only as of the date they are made. These statements are subject to risks and uncertainties and other factors, many of which are beyond IONOS' control, that could cause actual results to differ materially from these statements. These risks, uncertainties and other factors are described in detail in our risk reporting in the Annual Reports of IONOS Group SE. IONOS Group SE does not intend to update such forward-looking statements.

IONOS Group SE

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